

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SR.17/3

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CONTRACTING PARTIES
Seventeenth Session

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SUMMARY RECORD OF THE THIRD MEETING

Held at the Palais des Nations, Geneva,
on Friday, 4 November at 2.30 p.m.

Chairman: Mr. TORU HAGUIWARA (Japan)

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1. Subsidies - action under Article XVI:4 (W.17/3)

The CHAIRMAN pointed out that the provisions of Article XVI:4 envisaged that contracting parties would agree to the prohibition of subsidies on the export of products other than primary products. Up to the present, however, this prohibition had not been introduced and an arrangement had been made year by year whereby many of the contracting parties had agreed to a "standstill" arrangement on the export subsidies which they had been granting on such products. The Government of France had now proposed that the prohibition should be made effective. The French proposal, which had been distributed in document L/1260, had received preliminary consideration by the Council at its meeting in September and opinion in the Council generally favoured more effective action than in the past. Accordingly, the Council proposed that means to achieve this end should be considered at the seventeenth session of the CONTRACTING PARTIES and instructed the Executive Secretary to prepare a draft declaration on the lines of the French proposal for consideration. The draft proposed by the Executive Secretary would be found in Annex A of document W.17/3. Even though the CONTRACTING PARTIES should decide to open for acceptance a declaration providing for the prohibition of subsidies on the export of non-primary products, it would still be desirable that those governments which could not agree to abolish

such subsidies should accept a "standstill" on the scope of their existing subsidies. Accordingly, a draft declaration extending the "standstill" provisions had been included in Annex B of the same document and it was proposed that both these declarations be opened for acceptance.

Mr. PHILIP (France) said his Government had submitted its proposal to the CONTRACTING PARTIES at the time when discussions were going on in Paris on the question of the maintenance or abrogation of the OEEC provisions on trade matters in general and on subsidies on exports in particular. His Government's attitude rested on three principles and on three facts. The principles were first, that the existence of different sets of rules in several distinct inter-governmental organizations was in every way undesirable; secondly, that, even if these rules were identical, the fact that they existed in several inter-governmental organizations would weaken their real scope in each of the organizations concerned; thirdly, it was always desirable that provisions of an international character should be applied by the greatest number of countries. The relevant facts were, first, that the GATT rules undoubtedly differed from those at present in force in the OEEC; secondly, GATT on the one hand, and the OEEC or the future OECD on the other, were two distinct organizations; and, thirdly, the membership of GATT was twice as great as that of the OEEC or the OECD. Two logical conclusions flowed from these considerations, first, that a single international set of rules relating to subsidies or aids to exports on both **industrial** and agricultural products was desirable and urgent; and, secondly, that these rules should only come **within** the framework of the General Agreement, which should have priority, and that they should not figure among the provisions of the OEEC or the OECD. Commenting on these conclusions Mr. Philip said that, recognizing the value of the OEEC commitments relating to aids to exports, which were in fact more strict than those under the GATT at present, it was necessary to give GATT means of action at least equal to those of the OEEC by putting into effect the relevant provisions of the General Agreement. This proposal, which meant not the modification but the implementation of an existing provision of Article XVI, in no way detracted from the compromise reached at the Review Session. Likewise, the list of prohibited practices suggested in the French proposal was intended to be purely illustrative in character and, while several contracting parties saw advantage in having such a list, its inclusion was not essential if it presented difficulties for many other contracting parties.

Mr. Philip went on to point out that the subsidization of exports of non-agricultural primary products was tolerated in GATT but prohibited in the OEEC; here again the French delegation would be prepared to accept that the same prohibition should apply in GATT. In reference to the question of the definition of agricultural products on which subsidies were permitted, Mr. Philip said that, in his delegation's view, it was important that the obligations put into effect under GATT should not **differ** in substance from those at present in force in the OEEC. On the question of universality of application, Mr. Philip said that this would clearly be met if all contracting parties now accepted the entry into force of the provision of

Article XVI under discussion. Acceptance by only some of the contracting parties would, however, give rise to certain problems. If contracting parties which were OEEC members were the only ones to accept, it would be difficult to oppose the maintenance de jure of the OEEC provisions; it was therefore desirable that a large number, if not all, of the contracting parties other than OEEC members should accept the suggested entry into force. Further, it was necessary to envisage that those contracting parties not accepting prohibition of the subsidies would accept a firm "standstill" commitment. Some special procedure could then be worked out within the framework of Articles XXII and XXIII in respect of subsidies applied by contracting parties which only accepted the "standstill" commitment.

Mr. HARTOGH (Netherlands), speaking on behalf of the Member States of the European Economic Community, supported the proposals put forward by the French delegation. He added that it appeared clear that the proposed list of prohibited practices should be considered as essentially illustrative in character.

Mr. SWAMINATHAN (India) recalled that when the proposal for a "standstill" was first before the CONTRACTING PARTIES his delegation had reserved the Indian Government's position on two grounds. First, although as a less-developed country its financial resources would not enable it to subsidize its products on any significant scale, India could not accept a firm commitment not to subsidize as long as other countries were free to maintain in force subsidy measures introduced by them earlier. Secondly, if they were bound by the "standstill" arrangement, countries like India would have difficulty in meeting competition from non-GATT countries which were free to subsidize their exports. His Government would, therefore, wish to reserve its position for the present until further progress had been made in the elimination of subsidy measures currently operated by the more industrialized countries. In addition, it would hope that more countries at present outside GATT would become contracting parties, so as to reduce India's concern about subsidization by countries whose trading policies were not subject to the GATT discipline.

The French proposal, on the other hand, was of a more far-reaching character and had a wider scope than might be at first apparent. It sought to prohibit policies and practices which might not have a place in trade between highly-developed countries, but their exclusion in the trade of less-developed countries could cause substantial and avoidable damage to the economic and trade structure of these countries. Mr. Swaminathan explained how the export earnings of the less-developed countries could be adversely affected by such action. He went on to say that, even as regards exports from the industrialized to the less-developed countries, the prohibition of a practice which enabled the industrialized countries to grant export credits at lower than so-called commercial terms could make a significant difference to the capacity of developing countries to finance imports of capital goods and equipment. These examples were illustrative of the kind of difficulties that could arise. Mr. Swaminathan concluded

by saying that his delegation would, however, be willing to look at the proposal again after it had been subjected to a full and searching examination.

Mr. THRANE (Denmark) said that, in earlier GATT discussions, Denmark had consistently favoured strong rules against export subsidies and its attitude towards the proposals at present before the CONTRACTING PARTIES was also favourable. Nevertheless, it was necessary to draw attention again to the imbalance between the GATT rules relating to export subsidies on non-primary products and those relating to export subsidies on primary products; the former were considerably stronger than the latter and the present proposals, if adopted, would only increase this imbalance. What was desirable was for the tightening-up of the rules of non-primary products to be accompanied by a tightening-up of the rules on primary products. He recognized that the agenda item related only to Article XVI:4 but, in view of the approaching review of Article XVI itself, he wished at this stage to impress on delegations the need for comparable progress to be made in the field of export subsidies on primary products. Many possibilities might be foreseen. Although the matter would need thorough consideration, a possible starting point might be the adoption of a "standstill" arrangement for primary products and he put forward this idea for consideration by delegations and governments during the interim period before the review of Article XVI took place.

Mr. GRANDY (Canada), while recognizing the validity of the comments of the representative of Denmark regarding the imbalance between the GATT rules relating to export subsidies on non-primary products and those on primary products, felt it would be wise at the moment to concentrate on the rules affecting non-primary products where there was a chance of taking a real step forward. In reference to the examination of certain technical questions by a panel or working party, Mr. Grandy said that his delegation attached importance to the question of the definition of "primary product". Further, they would not wish to see the proposed list of prohibited practices included in a declaration without very careful consideration being given to the problems that might arise.

Mr. PHILLIPS (Australia), commenting on the statement of the representative of Denmark, said his delegation could well understand Denmark's concern as an agricultural exporter, for once again the General Agreement was proving effective in dealing with trade in the industrial sector while major problems remained unsolved in the agricultural sector. Both in the past and at the present time Australia's export trade had suffered as a result of the use of export subsidies by other countries. This was a major problem for the GATT from Australia's point of view and was one on which something would have to be done. The Panel on Subsidies was preparing the basic material for the review of Article XVI scheduled for next year and Australia would want that review to be as thorough and as full as possible. One issue which would require detailed examination was the question of the disparity of treatment between industrial and agricultural products which had been referred to by the representative of Denmark.

Mr. RIZA (Pakistan) said that, while this did not necessarily mean that Pakistan intended to grant subsidies, his Government was not inclined, at the present stage of Pakistan's development, to accept limitations on its ability to do so, even in the case of manufactured goods. In the view of his delegation, acceptance of the declaration extending the "standstill" should be at the option of contracting parties, at least so far as the less-developed countries were concerned.

Mr. TAYLOR (New Zealand) said his delegation were prepared to support in principle the French proposals. This, however, should not be taken as indicating any change in New Zealand's fundamental position which continued to be that the distinction at present made in the General Agreement between subsidies on industrial products and subsidies on agricultural products should be eliminated. Furthermore, New Zealand considered that subsidies which had the effect of reducing imports were also inconsistent with the principles of GATT and should receive the same attention as export subsidies.

Mr. TOWNLEY (Rhodesia and Nyasaland) said that his delegation likewise were able to support in principle the French proposal. He went on to say that he would like to put on record, for the consideration of any working party which might examine the question of the definition of "primary product", the view of his Government that such an examination should result in the most limited definition possible, thereby restricting the area where subsidies could be applied.

Mr. WILKS (United Kingdom) said his delegation supported the French proposal. He pointed out that the aim of the proposal was only to put an existing provision into effect and not to amend it and it was, therefore, difficult to see how the proposal prejudiced the compromise reached at the Review Session. The ban under Article XVI:4 was complete, but his delegation were nevertheless prepared to support the inclusion of the OEEC list of prohibited practices as illustrating the kind of export subsidies covered by Article XIV:4.

The CHAIRMAN, at the conclusion of the discussion, proposed that a working party should be established with the following terms of reference and composition:

Terms of reference:

To consider, in the light of the discussion by the CONTRACTING PARTIES and on the basis of the proposals contained in document W.17/3, what steps should be taken by the CONTRACTING PARTIES to implement the provisions of paragraph 4 of Article XVI, and to report to the CONTRACTING PARTIES.

Composition Chairman: Mr. A.F.K. HARTOGH (Netherlands)

Australia	Federal Republic of Germany	Japan
Austria	France	New Zealand
Belgium	Greece	Pakistan
Brazil	India	Sweden
Canada	Israel	Switzerland
Denmark	Italy	United States
		United Kingdom

This was agreed.

2. Anti-dumping and countervailing duties

The CHAIRMAN recalled that, at the sixteenth session, when the CONTRACTING PARTIES adopted the second report of the Group of Experts on anti-dumping duties, it was suggested that consideration might be given at the seventeenth session to the question of whether the CONTRACTING PARTIES should undertake further activities in this field and, in particular, whether the Group of Experts should be asked to undertake further work. The Chairman said that this question was considered by the Council in September, when some members had suggested that the Group of Experts should be retained as a kind of standing committee which could be convened as required to deal with technical problems. A majority of the Council members, however, had felt that the Group of Experts should not be retained and that if any contracting party should wish to raise further problems it would be free to make proposals at any time.

Mr. SWARD (Sweden) pointed out that, with the removal of obstacles to trade, domestic industries were being subjected to increasing competition from industries abroad and tended to press governments to make fuller use of anti-dumping duties. Article VI had grown in importance and it was most desirable that the interpretation of its provisions should be clear and uniform. Sweden was satisfied with the results achieved by the Group of Experts so far and had hoped that the Group would be retained, but the Council had not approved this proposal. Sweden would expect however that, if any problems were brought forward by contracting parties, the Group of Experts could be convened without any complicated procedure being necessary before this could be done.

In the absence of further discussion, the CONTRACTING PARTIES approved the recommendation of the Council that the Group of Experts should not be retained but that should any contracting party wish to raise further problems it would be free to make proposals at any time.

3. New Zealand schedule (L/1298)

The CHAIRMAN said that, in document L/1298, the Government of New Zealand had requested an extension, until the end of 1961, of the waiver granted in the Decision of 4 June 1960.

Mr. TAYLOR (New Zealand) said there was little he could add to the information provided by his Government and contained in document L/1298. He pointed out that his delegation had explained at the sixteenth session that it would be necessary to request an extension of the waiver at the seventeenth session.

The CHAIRMAN proposed that the New Zealand request should be granted and that the Executive Secretary should distribute a draft decision for consideration at a later meeting.

This was agreed.

4. German import restrictions (L/1331 and MGT(60)75)

The CHAIRMAN said that, under paragraph 3 of the Decision of 30 May 1959, the Government of the Federal Republic of Germany undertook to consult annually with the CONTRACTING PARTIES regarding the application of the Decision and to "report on the progress achieved in the relaxation or elimination of the restrictions maintained". The second annual report by the Federal Government was contained in document L/1331 and related statistical information had been distributed in document MGT(60)75.

Mr. KLEIN (Federal Republic of Germany) said that the measures taken in implementation of the liberalization programme provided for in the Decision had been carried out by the dates fixed in the programme. Having referred to the statement he had made at the sixteenth session (SR.16/8) in regard to measures which the Federal Government would take as a result of the consultations it had had with certain contracting parties on products listed in Annex A, Section D, Mr. Klein said that the report before the CONTRACTING PARTIES indicated the steps that had been taken to implement these measures. He went on to outline some of the other features of the report. Section I, paragraphs 2 to 4, showed that a major number of products would be fully liberalized as of 1 January 1961. Section I, paragraph 5, enumerated the products listed in Annex A, Section D, of the Decision for which full liberalization could not yet be decided, but for which a licensing system had been introduced as a result of consultations with interested exporting countries; the liberalization of these products was under continuous consideration by the Federal Government. Section I, paragraph 6, referred to the remaining small number of products enumerated in Annex A, Section D, which were still subject to global quotas; Mr. Klein recalled that he had announced at the sixteenth session the dates for the liberalization of most of these products. As regards agricultural products still subject to quantitative restrictions pursuant to the Decision, the statistics annexed to the report indicated the effects of his Government's policy of granting import opportunities in the largest possible volume.

Mr. Klein went on to say that the considerable increase in German imports of the products in question was an indication of his Government's efforts to apply the remaining restrictions in as liberal a manner as possible. When global import quantities had been divided up between individual countries, the Federal Government had endeavoured to ensure that all interested countries had a fair share of the market. He believed that, on the whole, contracting parties should be satisfied with the development of their exports to the Federal Republic. Commenting on the statistics of imports in the agricultural sector, Mr. Klein said that these showed in some cases greater increases in the case of products subject to quotas than in the case of products which had been liberalized. In some instances, there was a reduction in imports of liberalized products. This might justify the conclusion that the development of sales in the German market was not wholly a consequence of the Government's import policy, but was also due to other factors.

Mr. SATO (Japan) in congratulating the Federal Republic on the progress made so far, expressed Japan's satisfaction that its consultations with the Federal Republic had been duly completed. It was to be hoped that the Federal Republic would continue to explore the possibility of lifting or relaxing the remaining restrictions with a view to achieving full liberalization in the near future.

Mr. SWAMINATHAN (India), in likewise congratulating the German delegation, expressed his Government's satisfaction that liberalization had been accelerated in the case of some products. In reference to consultations on items under Annex A, Section D, between India and the Federal Republic, Mr. Swaminathan said that while his Government had received some satisfaction it was too early to assess the final effects of the measures which had been taken. Mr. Swaminathan then commented on the statistics in document MGT(60)75 relating to imports of products listed in Annex A, Section D, of the Decision. The figures from page 28 onwards in this document revealed that, in the case of some products, there had been a satisfactory increase in the proportion of German imports from GATT countries other than EEC countries. In the case of other products the reverse was true, which meant an increase in exports from EEC countries to the Federal Republic. In yet other cases, there had actually been a reduction of imports from GATT countries other than EEC countries in 1959 as compared with 1958. In reference to the commodities listed from page 32 of document MGT(60)75 onwards, comparing figures for the first half of 1959 with those for the same period of 1960, Mr. Swaminathan said it would be helpful if these figures could be broken down to show imports from GATT countries which were not members of the EEC. This would facilitate an examination of what factors other than the Federal Republic's restrictions might have been responsible for the disappointing performance of some exports to the Federal Republic from contracting parties other than EEC countries. In conclusion, Mr. Swaminathan referred to the considerable imbalance in trade between India and the Federal Republic which was a source of serious concern to the Indian Government.

Mr. PHILLIPS (Australia) said that contracting parties would recall that, when the Decision had been adopted at the fourteenth session, the Australian delegation had stated in some detail Australia's reasons for accepting the Decision. A major factor was that the arrangement represented a statement of intent by the Federal Republic to move from a position which was quite untenable under the General Agreement to one more likely to grow into accord with the Agreement. Moreover, Australia had hoped that the Federal Republic would find it possible to make greater progress in the elimination of the restrictions than the strict letter of the waiver required. In this connexion the importance of the annual consultations with Germany was emphasized; now that the half-way mark in the Decision was being approached, these consultations were of real importance. Mr. Phillips went on to say that there were really two major elements in the waiver, first, provision for increased access and, secondly, non-discriminatory treatment for imports. Although the report submitted by the Federal Republic tended to show a general increase in access for products covered by the waiver, it also showed that the smallest increase had been for the major agricultural commodities. This confirmed his delegations's

original contention that the concession granted to the Federal Republic by countries like Australia in accepting the waiver was a substantial one. In respect of the bulk of agricultural commodities covered by the marketing laws the Decision provided that the Federal Republic would endeavour to establish conditions which would afford increasing opportunities of access. In the consultations, his delegation would be interested to learn of the progress achieved so far in that direction.

On the question of the elimination of discrimination, Mr. Phillips said it had always been Australia's contention that, in the light of the trading policies adopted by the Federal Republic, under which a significant proportion of the German market was pre-empted for countries with which the Federal Republic had bilateral agreements, it was virtually impossible for the Federal Republic to give Australia the kind of import treatment that non-discrimination truly required. However, in an endeavour to reach a working arrangement, Australia had had discussions with the Federal Republic subsequent to 30 May 1959 which had the effect of giving Australia some assured access on a number of products. At the fifteenth session he had recorded the satisfaction of the Australian Government with the measure of progress made in these discussions, modest though that was, and its concern that this progress should be continued. Mr. Phillips said that, at the moment, he could only restate Australia's concern. Consultations had been arranged in Bonn shortly after the sixteenth session, to enable the degree of access for the year commencing 30 June to be determined. No effective consultations had occurred, however, as the Federal Republic was not in a position to determine the degree of access to be permitted until it had a better idea of domestic production levels for a number of key commodities. As a result, Australian exporters still had no clear idea of the opportunities they could expect even though a third of the year had passed. Uncertainty in itself could be a very serious barrier to the development of international trade. Nevertheless, he was hopeful that, before the Working Party's examination of the report was completed, he would be in a position to advise that this uncertainty had been removed following consultations scheduled to take place in Bonn late in the following week.

In conclusion, Mr. Phillips said that the forthcoming consultations with the Federal Republic during the present session were of the greatest importance. Towards the end of the session, and in the light of the progress made in the Bonn talks, he might need to refer again to the whole question of the waiver granted to the Federal Republic.

Mr. LACARTE (Uruguay) said that his delegation welcomed the progress to which the representative of the Federal Republic had referred and which was confirmed by the report which was before the CONTRACTING PARTIES. The Government of Uruguay, Mr. Lacarte continued, looked with great concern at the overall problem caused to countries like Uruguay, which were suppliers of foodstuffs and raw materials, by any application of import restrictions on their export items. The restrictions imposed by the Federal Republic of Germany were of particular importance to Uruguay the more so as, at the present time, Uruguay was running a significant imbalance in its balance of payments with the Federal Republic. The Decision of 30 May 1959 in one way or the other covered practically

every item of importance to Uruguay as an exporter, with the exception of raw and scoured wool. It was to be hoped, therefore, that the progress reported by the Federal Republic would be substantially accelerated, particularly in view of the very high degree of economic activity in the Federal Republic and the equally favourable state of the Federal Republic's balance of payments. Having referred to Uruguay's own efforts in the field of liberalization, Mr. Lacarte said it was reasonable to hope for and expect more progress on the part of the Federal Republic. Liberalization of trade was, after all, the purpose of GATT and the essential principles which were the *raison d'être* of GATT must not be lost sight of.

Mr. Lacarte went on to say that Uruguay had been having bilateral discussions with the Federal Republic on the items of particular concern to Uruguay, namely meat and processed and partially processed wool; these consultations had been going on for a period of many months and had not given results. Without prejudice to the future course of these bilateral consultations, his Government attached the highest importance to the results of the consultations with the Federal Republic to be carried out in the Working Party at the present session:

Mr. KLUSAK (Czechoslovakia) said his country had important trade exchanges with the Federal Republic and could not accept discriminatory treatment and the imposition of restrictions against its trade contrary to the GATT. Consultations initiated with the Federal Republic delegation appeared to be making some progress until, following a Federal ministerial declaration, the Federal authorities had introduced new restrictive measures and had increased the discrimination against Czechoslovak goods. His Government regarded this situation with serious concern. Czechoslovakia's economy was continuously creating new trading opportunities which were available to all contracting parties without distinction. The problem was to ensure that countries which did not discriminate against Czechoslovakia's trade received a fair share of the growing trading opportunities, undiminished by the unrestricted operation in the Czechoslovak market of countries which did not accept their GATT obligations. His Government would not hesitate to do what might be necessary to protect Czechoslovakia's interests and those of the contracting parties which adhered to the principles of equal treatment and non-discrimination.

Mr. ADAIR (United States) welcomed the action taken by the Federal Republic to implement its undertaking at the sixteenth session to advance to 1 July 1960 the liberalization of a number of items listed in Annex A, Section C, of the Decision which had not been scheduled for liberalization until 31 December 1960. This action was in keeping with the spirit of the Federal Republic's undertaking to move towards further liberalization as rapidly as possible. The progress made with respect to Annex A, Section D, items was also encouraging. At the same time it was important for the Federal Republic to make further progress towards liberalization within the framework of the Decision. The Federal Republic, as a major trading country in a strong economic and financial position, had a special responsibility for taking the initiative in this regard. In particular, his delegation would urge the Federal Republic

to consider the possibility of further accelerating the liberalization of items in Annex A, Section C, to agree to the complete liberalization of Annex A, Section D, items by a firm date and to relax further its other restrictions including especially those on non-marketing law agricultural products. Despite the progress made to date by the Federal Republic, so large a portion of its agricultural trade continued to be subject to restrictions that valuable trade interests of agricultural exporters were materially affected.

Mr. TAYLOR (New Zealand) said that New Zealand attached particular importance to the clauses in the waiver calling on the Federal Republic to give increased opportunities for access for certain products, including those of interest to New Zealand's trade; in this connexion New Zealand would draw no distinction between marketing law and non-marketing law products. While there might have been an increase in 1959 in imports of some agricultural products covered by the waiver, there was no assurance that such opportunities would recur, let alone expand. His delegation hoped that the representatives of the Federal Republic would be able to give such an assurance.

Mr. GRANDY (Canada) associated himself fully with the remarks made by the representative of the United States. While recognizing the efforts made by the Federal Republic to speed up the liberalization of a number of items, he had to point out, as other representatives had already done, that the lack of progress in the agricultural sector was most disappointing.

Mr. VALLADAO (Brazil) endorsing some of the comments already made by other representatives, and particularly by the representative of Uruguay, expressed Brazil's disappointment at the lack of progress made by the Federal Republic in the agricultural sector. The representative of Uruguay had referred to an important principle. When a contracting party which was in a strong economic and financial position found it difficult to lift import restrictions on agricultural products, some of which came from countries largely dependent on the export of these products and having difficulty in finding foreign markets for them, it would not be easy to criticize in GATT any action those countries might also have to take to overcome their difficulties. While, therefore, welcoming the progress already made by the Federal Republic, the delegation of Brazil hoped that the next report would show significant progress particularly in the agricultural sector.

At the conclusion of the discussion, the CHAIRMAN proposed that a Working Party should be established with the following terms of reference and composition:

Terms of reference:

To carry out the consultation with the Government of the Federal Republic of Germany under paragraph 3 of the Decision of 30 May 1959 and to submit a report to the CONTRACTING PARTIES.

Composition: Chairman: Mr. A. WEITNAUER (Switzerland)

Australia
Austria
Brazil
Canada
Czechoslovakia
Denmark

France
Federal Republic of Germany
Greece
India
Japan
Netherlands

New Zealand
Norway
Pakistan
Sweden
United Kingdom
United States
Uruguay

This was agreed.

5. French and German trade with the Saar (L/1306)

The CHAIRMAN drew attention to document L/1306, which contained the annual reports submitted by the Governments of France and the Federal Republic of Germany under the Decision of 22 November 1957.

Mr. PHILIP (France) outlined the main features of the report submitted by his Government and stressed that only a small part of the tariff quotas permitted under List A (French exports to the Saar) and under List B (Saar exports to France) had been utilized during the period 6 July 1959 to 30 June 1960.

Mr. KLEIN (Federal Republic of Germany) likewise briefly outlined the contents of his Government's report.

The CONTRACTING PARTIES took note of the reports submitted by the Governments of France and the Federal Republic of Germany.

6. Italian treatment of imports from Libya (L/1316, L/1296/Rev.1)

The CHAIRMAN drew attention to documents L/1316 and L/1296/Rev.1, which contained the reports submitted by the Governments of Italy and Libya respectively under the Decision of 9 October 1952, as subsequently amended.

Mr. PARBONI (Italy) said that, due mainly to a reduction in the amount of Libyan olive oil available for export following a mediocre olive crop, there was a certain diminution in Italian imports of Libyan products during 1959. However, it was Italy's view that, taking overall the products covered by the Decision, Italy's imports from Libya were developing normally without prejudice to the export interests of other contracting parties.

Mr. MUSA (Libya), having referred to the moderate 1959 olive crop and the recent unfavourable forecasts for the 1960 crop, stressed that Libya's production and export of olive oil, for which the Italian market was at present the sole outlet, would become increasingly important, as more trees were coming annually into full production. Mr. Musa then outlined recent measures taken by his Government to increase productivity and exports and to broaden the range of exportable products. This had already brought some success, e.g. small shipments of Libyan wine to Europe, but it would take time before the Government's efforts could have an appreciable effect on the total volume and value of Libya's exports. Meanwhile, Italy continued to be Libya's largest customer and the waiver was of great importance to Libya.

The CONTRACTING PARTIES took note of the reports by the Governments of Italy and Libya.

7. Article XXVIII renegotiations - extension of closing date for notifications (TN.60/SR.3 and 4)

The CHAIRMAN said that, within the scope of the present Tariff Conference, a number of contracting parties had entered into renegotiations under the provisions of paragraph 1 of Article XXVIII for the withdrawal or modification of certain concessions contained in their schedules to GATT. The items affected were to be notified by the end of September in accordance with the rule laid down in the third Interpretative Note to paragraph 1 of Article XXVIII. The Governments of Canada and the United States, however, had informed the Tariff Negotiations Committee that they would wish to notify items for renegotiation up to 30 November and they had accordingly requested an extension of the time-limit referred to. The other contracting parties concerned had signified through their representatives in the Committee that they would agree to receive such notifications not later than 30 November. Accordingly, the Committee had decided to report this agreement to the CONTRACTING PARTIES at the present session.

Mr. KRUGER (South Africa) referred to the list of items notified by his Government for renegotiation under paragraph 1 of Article XXVIII which was circulated by the secretariat on 7 September 1960. Mr. Kruger said his Government also wished to request an extension of time until 30 November so as to add a few items to its list.

Mr. TREU (Austria) said that his Government might also wish to avail itself of this facility.

The CONTRACTING PARTIES agreed to grant to the Governments of Austria, Canada, South Africa and the United States an extension of time, up to 30 November 1960, to notify items for renegotiation under Article XXVIII during the current Tariff Conference. The Chairman said that if any other contracting party should require an extension of time its request could be considered by the CONTRACTING PARTIES; any such request submitted after the close of the session should be addressed to the Tariff Negotiations Committee.

8. Restrictive business practices

The CHAIRMAN announced that Mr. Swaminathan (India), who had been appointed at the sixteenth session as Chairman of the Working Party on Restrictive Business Practices, had advised that he would not be able to serve in this capacity. The Chairman proposed Mr. de la Fuente Locker (Peru) as Chairman of the Working Party, which would meet within a few days.

This was agreed.

The meeting adjourned at 4.50 p.m.