Tariff Negotiations

TARIFF NEGOTIATIONS COMMITTEE

Summary Record of the First Meeting

Held at Hotel Verdun, Annecy, on Thursday
April 14th, 1949, at 2.30 p.m.

Acting Chairman: Hon. L.D. WILGRESS (Canada)

Subjects discussed:

1. Election of Chairman and Vice-Chairman

   Mr. Walter MULLER (Chile) proposed by Mr. HOLMES (United Kingdom)
   and seconded by M. LECUYER (France) was unanimously elected Chairman of
   the Tariff Negotiations Committee.

   Mr. HASNIE (Pakistan) proposed by Mr. TRABOULSI (Syria) seconded by
   Mr. DESAI (India), and supported by Mr. POLITIS (Greece), was
   unanimously elected Vice-Chairman of the Tariff Negotiations Committee.

   In the absence of Mr. MULLER, Mr. WILGRESS thought he would be
   interpreting the wish of the members of the Committee and of Mr. HASNIE,
   if he retained the Chair in order to give Mr. HASNIE an opportunity to put
   forward his case on Pakistan's request which was dealt with in the report
   of the Tariff Negotiations Working Party.

2. Report of Tariff Negotiations Working Party:
   Opening of negotiations (GATT/TN.1/A/1 and GATT/TN.1/A/2 -
   GATT/TN.1/A/2 Add.1)

   Request of Pakistan (GATT/IN.1/10)

4. Letter of the Director-General of UNESCO concerning
   barriers to the Import and Export of Educational,
   scientific and Cultural Material (GATT/CP/12 -
   GATT/CP/12 Add.1)
2. **Opening of Negotiations** (GATT/TN.1/A/1 and GATT/TN.1/A/2 - GATT/TN.1/A/2 Add.1)

Mr. WILGRESS as Chairman of the Tariff Negotiations Working Party said he would make an oral report on its work since it was set up. The Working Party had given its attention to the circulation of lists of offers to other than the negotiating delegations and decided to recommend following the Geneva procedure as closely as possible. Details regarding this procedure were set out in document GATT/TN.1/A/1; slight modifications of the Geneva procedure were to be attributed to the fact that at Annecy the Contracting Parties would not be negotiating among themselves.

The part of the report contained in document GATT/TN.1/A/1 was approved.

The Working Party, the Acting Chairman continued, had interviewed a number of Acceding Governments concerning their readiness to commence negotiations. The intention of the Working Party was to schedule as many meetings as possible. The results of their efforts in this direction were shown by documents GATT/TN.1/A/2 and GATT/TN.1/A/2 Add.1. Delays in entering into negotiations were due to the fact that not all countries had sent their requests, that some delegations were awaiting members of their negotiating teams, that situations had to be explored and preliminary problems solved. For Italy, it had not been possible to schedule meetings because the new draft Customs Tariff had not been circulated until March 19. This was, however, only a first effort; the Working Party would meet again on the following Monday to arrange further meetings in the course of interviews with other acceding Governments.

Mr. WILGRESS recommended that whenever a country had received a request from another country without having sent one in return, it should either submit its own request as early as possible, or arrange an exploratory meeting scheduled by the Working Party; this had, for instance, been done in the case of Canada and Liberia with the result that negotiations were to commence on the following Monday.
The Working Party had also scheduled meetings for re-negotiations by Ceylon with three Contracting Parties, pursuant to the arrangements for re-negotiation arrived at during the second session.

In connection with the programme for the negotiations, the Acting Chairman referred to the procedure followed at Geneva where routine communications had been made available to the Press. The Committee agreed that programmes of meetings and similar routine measures could be made available to the press with the consent of the Chairman.

3. Report of Pakistan (GATT/TN.1/10)

Mr. WILGRESS, continuing his report to the Committee, passed to the request which had been made by the representative of Pakistan to have it placed on record that, if his Government agreed to grant concessions it could, at some later date, expect to obtain compensatory concessions. The Working Party had discussed the special case of Pakistan with its representative, Mr. HASNIE, and its recommendations were set out in document GATT/TN.1/10.

The attention of the Committee was drawn to the last paragraph in this document where it was made clear that the recommendations of the Working Party were made in view of the special circumstances of Pakistan's adherence to the General Agreement. When negotiations had commenced at Geneva, Pakistan did not exist. The Delegation of India had carried out negotiations for the territory which came into existence as an independent state on August 15, 1947. Pakistan had sent representatives to sign the Agreement although it was felt that the advantages derived therefrom did not adequately compensate the concessions granted. This point was first raised by Pakistan at the First Session of the Contracting Parties in March 1948. The Contracting Parties had agreed to re-negotiations which had taken place and the matter was on the Agenda of the present Third Session.
Mr. HASNIE, in presenting the special case of Pakistan, pointed out that, in the circumstances, no delegation of Pakistan — had there been one — could have done more in the interest of his country than the Indian Delegation had done. Pakistan was an exporter of a few essential raw materials, the demand for which greatly exceeded the supply. Most of them were given favourable treatment in the customs tariffs of importing countries and were in fact often exempted from duty. But the export trade of Pakistan would not be affected in any way even if importing countries were to charge heavy duties. On the other hand, all manufactures required by his country had to be acquired from abroad and the duties levied on such imports constituted the bulk of Pakistan's federal revenue. Therefore, any concession granted would be a sacrifice which would not be balanced by any increase of exports, as the latter were a fixed quantity, limited by the volume of internal production. If, therefore, concessions were granted, this would be a friendly gesture signifying Pakistan's will to collaborate in the field of international trade. This was the view of his Government, who had given him instructions to avoid making difficulties for other Governments and to do his utmost to find in negotiation possibilities of making concessions which could be balanced. It would however be extremely difficult to find products on which compensating concessions could be granted by other Governments and for this reason he had asked the Committee to take account of the special provision of his country and to place on record that he was prepared to grant advance concessions in exchange for which compensating concessions would be requested at some later date.

His insistence on the special case of Pakistan, he wished to remind the members of the Committee, did not imply that he was asking for special privileges; foreign trade constituted the backbone of their economy and they wished to proceed in the fullest collaboration with the rest.
Mr. POLITIS (Greece) spoke in favour of the acceptance of Pakistan's request.

The Tariff Negotiations Committee approved the report of the Tariff Negotiations Working Party with the recommendation on the request of Pakistan.

4. Letter of the Director-General of UNESCO relating to barriers to the import and export of Educational, Scientific and Cultural Material (GATT/CP/12 and GATT/CP/12 Add.1)

Mr. CASSIERS called the attention of the Committee to the fact that whereas one point of the letter of the Director-General of UNESCO was concerned with the consideration of a Draft Agreement on the importation of books, newspapers and periodicals, and was therefore not within the competence of the Tariff Negotiations Committee, the second point raised by the Director-General, that the educational, scientific and cultural materials listed in his additional communication (document GATT/CP/12 Add.1), was a matter for the urgent consideration of the Committee. A procedure for the examination of the list of materials should be established by the Committee in order to study the possibility of furthering the international exchange of such articles.

A discussion followed in which Dr. AUGENTHALER (Czechoslovakia), Mr. POLITIS (Greece), Mr. CASSIERS (Belgium), M. LECUYER (France), Mr. RODRIGUEZ (Brazil), Mr. HOLMES (United Kingdom), Mr. GARCIA-OLDINI (Chile), Mr. ARAUJO (Colombia) took part. Opinions were expressed in favour of referring the matter to Governments for possible action at the next session of tariff negotiations, or of referring it to a Working Party.

The CHAIRMAN pointed out that the question the Committee was asked to decide was whether the matter was to be placed on the Agenda of a future meeting, and, on a motion of Mr. WILLOUGHBY (United States), the Committee decided in favour of discussion by 16 votes to none.

The Committee adjourned at 5.15 p.m.