Committee on Tariff Concessions

Minutes of the Meeting held in the Centre William Rappard on 3 October 1986

Chairman: Mr. A.S.J. Woo, Vice-Chairman of the Committee (Hong Kong)

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1. Adoption of the Agenda (GATT/AIR/2308)

1.1 In the absence of the Chairman of the Committee from Geneva, the Vice-Chairman welcomed the participants to the meeting and called their attention to GATT/AIR/2308 which contained the agenda and the list of relevant documents. He suggested adding the above mentioned items under "Other Business" and the agenda was adopted with these additions.
2. **Harmonized System and Article XXVIII Negotiations**

(a) **Submission of Documentation**

2.1 The Chairman informed the Committee that to date nine countries had submitted their Harmonized System documentation required for the negotiations, i.e. Japan, Hong Kong, EEC, Switzerland, Sweden, Finland, United States, Norway and New Zealand. The secretariat had also received the documentation from Australia and Canada.

2.2 The representative of the United States added that last September his delegation had circulated an additional analytical document bilaterally to contracting parties with a principal, substantial, or initial negotiating interest in the current US Schedule in order to facilitate review of the conversion.

2.3 The representative of Argentina referred to the document submitted bilaterally by the United States and pointed out that this document would greatly simplify the work of verification of his country and other developing countries. He encouraged other major delegations to follow the example of the United States and to forward similar documentation on a bilateral basis.

2.4 The Chairman recalled that the European Communities had also offered at a previous meeting to provide such a document on a bilateral basis upon request.

2.5 The representatives of Yugoslavia, the Philippines, Brazil, India, Malaysia, Thailand and Hungary expressed their gratitude to the US delegation for having provided this useful document and supported the suggestion put forward by the Argentine delegate that other countries also provide such information.

2.6 The representative of the European Communities recalled that at the last meeting his delegation had asked the Chairman to contact the Indian delegation, absent at the time, concerning the documentation to be submitted in connection with the adoption of the Harmonized System.

2.7 The representative of India confirmed that, with effect from 28 February 1986, the Customs Tariff of India had been changed to conform with the Harmonized Commodity Description and Coding System (Harmonized System). The First Schedule of Customs Tariff Act of 1975 had been replaced by a new Schedule under the Customs Tariff (Amendment) Act, 1986. A copy of the Customs Tariff (Amendment) Act, 1986 would be made available to the GATT secretariat for reference by contracting parties. He added that GATT bindings had not been affected by the change-over to the Harmonized System, because these were not indicated in the Schedule annexed to the Customs Tariff Act, but were given effect through notifications which continued to be valid even after the introduction of Harmonized System. The question of

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1 Subsequently distributed with documents SECRET/HS/10 and SECRET/HS/11, respectively.
bringing the product descriptions for the GATT bound items in conformity with the Harmonized System was being examined by his authorities and the procedures laid down would be followed before effecting changes in the product descriptions for the GATT bound items where necessary.

2.8 The United States representative supported the request made by the delegation of the European Communities regarding the documentation expected to be submitted by India in the context of the Harmonized System.

(b) Conduct and timing of negotiations

2.9 The Chairman referred to the proposal made by the United States (TAR/W/61) which, in order to comply with the 90 day time-limit for notification of interest in possible negotiations, would allow delegations to reserve their rights globally and forward subsequently a detailed list of items for negotiations. Discussions at both formal and informal meetings had shown a fair support for such an approach, although no decision had been taken in this respect. Moreover, the Chairman made reference to extensive negotiations being carried out by one delegation and requested to be informed on the progress of those negotiations.

2.10 The representative of Japan stated that, as repeatedly explained in the Committee meetings, the time-limit of the Harmonized System Article XXVIII negotiations on the Japanese schedule was end-September 1986. His delegation was making best efforts to complete the Harmonized System negotiations as soon as possible. Several experts from Tokyo were negotiating in Geneva. So far, negotiations had been carried out with a few contracting parties and with some of them the negotiations were nearly completed. However, some contracting parties which had made a blanket reservation on Japan's proposed schedule had not shown any reaction since then. His delegation was now facing very serious difficulties so far as time was concerned and would thus be obliged to close the request list in the very near future; otherwise, it would not be possible for Japan to implement the Harmonized System on 1 January 1988.

2.11 The representative of the United States recognized that this exercise caused additional burdens on all delegations, regardless of the size of the country. Concerning the progress made by his delegation, he said that US claims of interest would be submitted within the 90 day period foreseen under the Article XXVIII procedures. However, in the case of certain parties, the manner and type of documentation had raised difficulties for those analyzing the documents and this had resulted in some delays. His delegation had nearly completed its bilateral negotiations with Japan and Hong Kong; the United States would be submitting requests to the EEC, Switzerland and the Nordic countries in the very near future. No specific request had yet been received concerning the US schedule; he further underlined the importance in receiving requests early permitting sufficient time for an examination of the requests and for the conduct of negotiations. He pointed out that US domestic implementation requirements obliged his delegation to close the negotiations and present a tariff to Congress in the spring of next year, in order to meet the 1 January 1988 implementation date. It was imperative to engage in negotiations on the US schedule very soon, especially in view of the fact that because of the differences between the TSUS and the Harmonized System nomenclatures, his country was confronted with particular difficulties; he was hoping to obtain the co-operation of all trading partners in order to conclude these negotiations in time.
2.12 The representative of Argentina stated that although his delegation understood the need for negotiations to take place within the set deadlines in order not to hold up the Harmonized System implementation, his country had made some "blanket" reservations which were merely due to the fact that the 90 day time-limit, as established in the GATT rules, had elapsed and his authorities had not been able to evaluate fully the schedules which had been submitted; in the case of Japan, he indicated that his country had made a lot of progress in examining this schedule even though it might be necessary to request, on a bilateral basis, a document similar to that circulated by the United States to permit an early conclusion of analysis; his authorities were ready to make every effort to submit Argentina's concrete claims within the deadlines set by the delegations but he appealed for the understanding of the delegations concerned since it was not easy for some administrations to examine the information contained in the voluminous documentation within the given time.

2.13 The representative of Hong Kong shared the views expressed by the Argentine delegate and added that although his authorities would try to respect the deadlines, there might be cases where a longer time would be necessary to complete the analysis of some voluminous documentation.

2.14 The representative of Australia informed the Committee that her authorities intended to conduct the negotiations on the Australian schedule in January/February 1987 taking into account the 90 day notification period. Her country proposed introducing the necessary legislation to implement the Harmonized System national tariff during the Parliament session of next European spring with a view to implementing the new tariff on 1 January 1988.

2.15 On behalf of the Nordic countries, the representative of Sweden appealed to delegations which had made a general reservation to address their specific requests to the individual Nordic countries concerned in order to speed up the conclusion of their Harmonized System negotiations.

2.16 The representative of Hungary, referring to the requests made by his country in certain cases for an extension of the 90-day period, assured the delegations concerned that, taking into account the volume of the documentation to be examined, his authorities would make every effort to submit detailed claims in the very near future.

2.17 The observer for the Customs Co-operation Council (CCC), Mr. Asakura, reported that the Council had organized a joint signing ceremony in June 1986, at which five additional countries had signed the Convention subject to ratification and one country, India, had deposited its instrument of ratification. Thus, there were now forty-five signatories to the Harmonized System Convention, out of which five were now Contracting Parties. In terms of paragraph 1 of Article 13 of the Convention, seventeen States or Customs or Economic Unions had to become Contracting Parties by the end of 1986 in order to bring the Convention into force on 1 January 1988. However, since it had been felt uncertain that the required number of Contracting Parties would be reached by the end of this year, the Council adopted a Protocol which reduced the twelve month period referred to in Article 13 of the Harmonized System Convention to three months. With this amendment, the Harmonized System Convention could enter into force on 1 January 1988 if seventeen Contracting Parties were to sign the Harmonized System Convention by 30 September 1987.
(c) Common Data Base

2.18 The Chairman recalled that Mr. Satuli, as Chairman of the Committee, had made a statement before the Council at its meeting of 15 July 1986, inviting additional contracting parties - both developed and developing countries - to provide tariff and trade information in computerized form. His statement had subsequently been circulated in document TAR/129.

2.19 Mr. Raynal (secretariat) reported that the technical working group on the common data base had met on 2 October 1986 to review the work on the data base. The information received from the five participants in the data base had been loaded but more up to date data had since been received and was still to be processed. The two computer programmes for the compilation of balances of duty collection and detailed assessments of the tariff conversions were now operational. Global balances had already been compiled for the five participants, which had been able to compare the results with their own calculations. The detailed assessment had been used for technical assistance to developing countries. In this context, delegations had stressed that the reports should be restricted to products where the country had a substantial interest, i.e. where its supplies represented 10 per cent or more of total imports from the GATT member countries. Each participant should receive a copy of the listings produced on the basis of its data, before their distribution.

2.20 The possibility of carrying out an analysis of the tariff situation had been discussed in the group. If such an analysis were to be carried out in the near future, delegations considered that it should be based on the Tariff Study information, using, where necessary, the concordance tables of the Harmonized System data base. For that purpose, the secretariat had prepared a definition of the Tariff Study product categories in terms of the Harmonized System four-digit headings, and had proposed a definition of product categories in the agricultural sector, which was not covered in the Tariff Study analyses. Delegations considered that the product categories, as proposed by the secretariat, could be used in test analyses. It had also been stated that the Harmonized System data base information should be given priority, possibly with constructed statistics in the Harmonized System nomenclature.

2.21 With regard to the use of the Harmonized System data base after the Article XXVIII negotiations, Mr. Raynal said that delegations had requested the secretariat to analyse the possibility of including in the data base, information on non-tariff measures. Delegations considered that contacts should be established between the Committee on Tariff Concessions and the Committee on Quantitative Restrictions. It was also mentioned that, for the new round, the Trade Negotiations Committee would certainly create negotiating groups. A group, covering market access problems will no doubt address the matter of creating a comprehensive data base. Finally, delegations had underlined that participation in the data base of additional contracting parties would be indispensable for the future.

2.22 The representative of the European Communities stated that there were two points which, in his view, were of great importance and where all efforts should be made by the secretariat. Firstly, the geographical coverage of the Harmonized System data base and of the Tariff Study should be broadened and
the largest possible number of countries should join in the exercise. The second point concerned the extension of the data base to non-tariff measures. It was, in his view, essential to have, for the new round of negotiations, a coherent data base including non-tariff data. With regard to technical assistance to developing countries, his delegation was fully in favour of the present system and even in favour of its extension, on the condition that the criteria which were used to provide the information be very clear. As mentioned by Mr. Raynal, for instance, the notion of substantial interest should correspond to a market share equal or superior to 10 per cent of GATT imports. Finally, with regard to the use of the Harmonized System in the new round of negotiations, his delegation wished to state its reservation. In his view, import data constructed on the basis of trade allocations should be used very cautiously, especially in the assessment of negotiation data. It would only be possible to use the Harmonized System as a negotiating instrument when real statistical data were available in the Harmonized System nomenclature. In the interim period, every effort should be made to develop an intermediary system answering the present needs.

2.23 In reply to a question by the representative of Argentina, Mr. Raynal informed the Committee that the secretariat was now in a position to produce analyses at the request of developing countries. Delegations should address their requests to the Technical Co-operation Division of the secretariat, so that this Division could combine similar requests from several delegations.

2.24 The representative of the United States wished to emphasize the future uses aspect of the data base which had been set up for the Article XXVIII negotiations. Contracting parties would have their schedules based on the Harmonized System as of 1 January 1988 and, in his view, those schedules could constitute the only basis on which tariff negotiations could be conducted in the new round. Therefore, he considered as unavoidable the fact that constructed data in the Harmonized System would have to be used, as they were now available in the common data base or in a modified form. He agreed with the representative of the European Communities that there were deficiencies in the common data base information but it should be possible, in his view, to iron out some of those deficiencies. His delegation was in favour of greater participation in the data base so that a broader picture be available for the new round of negotiations. His delegation had also encouraged the merging of information available in the secretariat on tariffs with the information available on non-tariff measures. Finally, he referred to previous appeals to encourage parties to join in the data base, given its obvious importance to the new round.

2.25 The representative of New Zealand informed the Committee that his delegation was making good progress towards eventual participation in the common data base and that he would, in the near future, send to the secretariat trade statistics in full detail. With regard to its loose-leaf schedule, his delegation would be in a position to provide the information on magnetic tapes by the end of November.

2.26 The representative of Australia wished to encourage the secretariat to merge the data base information with information available on quantitative restrictions and other non-tariff measures pertaining to industrial and agricultural products. Her delegation saw such a comprehensive data base as being in the interest of all contracting parties, and urged that early progress be made in the establishment of an amalgamated data base so that it would be operational for the new round of negotiations.
2.27 The representative of Canada wished to associate his delegation with the statement made by the representative of the United States on the future use of the data base. It should be recognized that, by 1 January 1988, most contracting parties would apply the Harmonized System nomenclature in their domestic tariffs and in their GATT schedules. He also agreed with the representative of the European Communities that constructed data should be used with extreme prudence in the new round of negotiations. This was precisely what was done in the present Article XXVIII negotiations, where the objective of maintaining tariff neutrality was a much more difficult exercise than the reduction of tariff rates.

2.28 The representative of the European Communities wished to come back to the subject of the use of constructed data since, in his view, the subject would be very important in the perspective of the new round of negotiations. For the purpose of the present Article XXVIII negotiations, delegations had established concordances between their current nomenclature and the Harmonized System nomenclature, focusing on those products where concessions would be modified in the course of the Harmonized System negotiations. For those products in particular, it might be possible to consider that the estimated trade allocations correspond more or less to the facts, although the allocations should be bilateral and should refer to individual partners for each product. He considered therefore as an illusion to use constructed data from the Harmonized System negotiations (in the frame-work of other negotiations). The new round of negotiations should, in his view, be conducted on the basis of solid and realistic data.

(d) Legal procedures

2.29 The Chairman pointed out that, from discussions at both informal and formal meetings, there seemed to be a consensus on the use of the Protocol approach for the publication of the Harmonized System negotiations. At the last formal meeting of the Committee, the secretariat had been asked to prepare a note on a possible time-table and format of the protocol. This note had been circulated in document TAR/W/62 on 12 June 1986. Some discussion had taken place at the informal meeting on 1 July, particularly on the wording of the protocol. It had appeared, however, that more work was needed on the drafting of the text of the protocol, especially regarding the provisions of paragraph 3. Following informal consultations among interested delegations, a new paper had been prepared and distributed by the Japanese delegation.

2.30 The representative of Japan, referring to the informal consultations held between countries concerned, explained that although her authorities still preferred a separate protocol approach, they had decided to accept the idea of using a single protocol, provided that the following two conditions were met: (1) establishment of the provisions of the protocol and finalization of the Japanese schedule of concessions to be achieved as soon as possible in order to obtain a certified true copy of the protocol, as well as of the schedule(s) annexed to it, by the end of the year, and (2) inclusion of a mechanism in the protocol to the effect that after having obtained the above certified documents, there would be a certain period

1 This paper was subsequently circulated to all contracting parties as document TAR/W/63 on 13 October 1986.
during which other countries' schedules would be annexed to the protocol. The paper drafted by the Japanese delegation was based on the note by the secretariat in TAR/W/62 and the discussion should focus on paragraph 3 where the dates had been left blank. She added that her delegation would appreciate it if approval in principle could be obtained on the general structure of the protocol. She further stated that this protocol was aimed mainly at those countries that were able to adhere to the dates to be inserted in the protocol and to meet the target date of 1 January 1988 for the implementation of the Harmonized System. In conclusion, she made it clear that this protocol would not prevent or block additional protocols to be established for those countries which could not meet the dates indicated in paragraph 3, although her delegation would welcome as many countries as possible to join in the first protocol.

2.31 The representative of the United States considered that the proposal submitted by Japan constituted an acceptable structure for a protocol. Referring to paragraph 3, he indicated that his delegation would envisage the following dates: 1 January 1988 for the entry into force of the protocol and 30 September 1987 for the period during which the protocol would remain open for acceptance for those countries having annexed their schedules to the protocol. As the CCC representative had pointed out, the time period foreseen in the Harmonized System Convention had been shortened from one year to three months, meaning that there would have to be seventeen signatories to that Convention by 30 September 1987 in order to bring it into effect on 1 January 1988. He added that although there were legally two separate instruments, i.e. the GATT Protocol and Harmonized System Convention, his delegation believed that there was a distinct interrelationship between them and their political aspects. The United States would consider these two legal instruments together and would not envisage a situation where his country would sign the Harmonized System Convention and not have some assurance as to the acceptance of the schedules annexed to the Protocol; regarding the time-limit for annexation of schedules to the protocol, this would depend on practical constraints of producing documents and would probably be in the order of one or two months prior to the deadline for acceptance of the protocol.

2.32 The representative of the European Communities stated that his delegation had no particular problem with the general structure of the proposed protocol. As to the dates to be inserted in paragraph 3, his delegation wished them to be as close as possible to the entry into force of the Harmonized System so as to enable a maximum number of countries to join it. He pointed out that one of the consequences of the protocol, as drafted, could be the following: if, for any reason, a contracting party was not able to meet one of the dates concerned, it would be necessary to have an additional protocol and to recommence the entire procedure for partners that had not been able to comply with the time-limits indicated. He did not consider it obvious that the date of acceptance of the Convention and that of the protocol were inter-related, since acceptance of the protocol was a consequence of acceptance of the Convention. While the European Communities would have no problem with the date of 30 September 1987 suggested by the United States, they would like to know the reactions of other contracting parties before expressing a final opinion.
2.33 The representative of New Zealand stated that although the structure of the proposed protocol would appear acceptable to him, he needed to submit it to his capital, especially in view of the important legal questions involved. He wished therefore to reserve the position of his country.

2.34 The representative of Sweden, speaking on behalf of the Nordic Countries, indicated that the Nordic delegations would see no obstacle in supporting the draft protocol as presented by Japan and, regarding the various dates, the United States proposals seemed reasonable to them.

2.35 The representative of Australia reported that her authorities wished to have the opportunity to consider the protocol proposed by Japan.

2.36 The representative of Switzerland informed the Committee that his country could agree in principle to the proposed protocol. As to the dates, he thought it useful to proceed in three phases to bring the Harmonized System into force on 1 January 1988. Because of practical considerations and the possible link between the protocol and the Convention, he considered it justified to envisage 30 September 1987 as the date for acceptance of the protocol.

2.37 The representative of Austria said that she was not in a position to agree at the present meeting to the text of the protocol proposed by Japan; with regard to the time-limit for its acceptance, her delegation wished it to be as close as possible to the entry into force of the Harmonized System. Although it would be possible to annex Austria's schedule to the protocol once negotiations were completed, under the legal procedure of her country it would be necessary to obtain the approval of Parliament to ratify it after the conclusion of the negotiations, and that might take time.

2.38 The Chairman said that there had been a useful discussion on the content of the protocol as suggested by Japan and noted that some delegations needed to refer the document to their authorities for further consideration; there seemed, however, to be a certain measure of support for the structure of the protocol itself although there were details in it which needed further consultations.

2.39 The representative of the United States pointed out that as the conclusion of bilateral agreements was approaching, questions relating to the presentation of the results of negotiations were coming up. Referring to the note prepared by the secretariat (TAR/W/62) and in particular paragraph 3 of that document, it was expected that contracting parties would annex consolidated schedules to the protocol. However, reference was also made to the possibility, or probability, that certain information required for loose-leaf schedules might not be completed as far as columns 6 (concession first incorporated in a GATT schedule) and 7 (INRs on earlier concession), perhaps also column 4 (present concession established in), were concerned. This suggested that only information with respect to column 1 (tariff item number), column 2 (description of product), column 3 (rate of duty) and column 5 (INRs on the concession) would be completed. This situation would leave open several legal questions on which his delegation would find it useful to have a note by the secretariat; the questions were as follows:

(1) What would be the legal status of the present, largely uncertified, loose-leaf schedules and past protocols with respect to information not contained in the Harmonized System loose-leaf schedules attached to the
protocols? Given that column 6 information was one of the important elements that might be outstanding, some guidance on the legal importance of column 6 information would be appreciated.

(2) Was it correct to say that the result of the Harmonized System negotiations would be a consolidated schedule of concessions if all information needed for consolidated schedules was not there?

(3) It had been thought that a practical solution for column 4 would be to enter a designation of HS87 or G87 in all instances. Was there a problem with this where there would be one for one rectifications?

(4) How did paragraph 2 of the draft Protocol relate to the above questions?

(5) How could the issue of floating INRs be taken into account in relation to the decisions of the CONTRACTING PARTIES taken at the end of the Kennedy Round and Tokyo Round?

2.40 The Chairman confirmed that the secretariat would prepare a note in reply to the questions raised by the United States delegation.

(e) Policy issues

2.41 The Chairman recalled that under this heading there were three different issues still open for discussion: (1) the question of INRs; (2) the definition of suppliers' rights; (3) the possibility of a review clause.

2.42 The representative of the United States referred to the question of historical INRs and requested that the matter remained open for discussion since his delegation was still examining the merits of retaining certain historical INRs.

2.43 The representative of Australia reiterated the position of her delegation that it attached importance to the maintenance of both current and historical INRs and would wish to see them reflected in the schedules resulting from the Harmonized System negotiations. Moreover, it would expedite the negotiations on INRs in the Harmonized System context if contracting parties would provide statistical information which would enable an assessment of the value of these rights.

2.44 The representative of the European Communities indicated that his delegation had not changed its position regarding historical INRs; it was however prepared to supply balances as well as INR lists proposed under the Harmonized System to countries which intended to enter into negotiations with the Community, but it wished to receive the same information from its partners in exchange. As to the content of the schedule resulting from negotiations, it hoped that it would be possible to simplify the treatment of INRs and proposed not to take into account partial INRs so as to avoid annexes in which specific descriptions of the INRs would have to be given. The Community would propose a certain number of INRs, of which some would be transferred automatically while others would involve extensions or restrictions of coverage following bilateral negotiations. On the other hand, the Community would not propose any historical INRs in its new schedule...
of concessions and counted on the understanding of its partners in that connection. He added that his delegation would nevertheless be prepared to examine requests by delegations for the maintenance in certain cases of historical INRs.

2.45 The representative of Canada supported the suggestion made by the Community, particularly concerning historical and partial INRs and expressed its readiness to discuss with its partners any INRs of interest to them on a bilateral basis.

2.46 In respect of INRs, the representative of Sweden, speaking on behalf of the Nordic countries, felt that, in a general sense, the comments made by the Community appeared to be valid, although drastic solutions to the problems should be avoided.

2.47 The representative of Switzerland reiterated his delegation's position regarding the maintenance of any INR. He supported the suggestion of the Community to draw up lists of proposed INRs, since Switzerland had already indicated proposed INRs as well as partial INRs in its new schedule. It was, however, of the opinion that historical and partial INRs could be considered case by case.

2.48 The representative of Hungary drew the Committee members' attention to the fact that it was necessary to arrive at a common solution regarding the handling of INRs in the Harmonized System schedules.

2.49 The representative of New Zealand associated his delegation with Australia and Switzerland to the extent that his country attached great importance to the maintenance of historical INRs and welcomed the offer made by the Community and Canada to examine this matter on a case by case basis.

2.50 The Chairman proposed to revert to the matter at the next meeting of the Committee.

3. Invocation of Article XXVIII, paragraph 4

3.1 The Chairman recalled that at the Council meeting of 17 June, Korea had made a request under Article XXVIII:4. At that time, one delegation had suggested that a general decision should be taken in order to allow countries which had not reserved their rights under Article XXVIII:5 to renegotiate their schedules of tariff concessions in connection with the introduction of the Harmonized System; the Committee had been requested to examine this question and to report back to the Council.

3.2 The representative of the United States stated that his delegation had had no problem with the Korean request and expected that any other country would have no difficulty in following the same procedure.

3.3 The Chairman concluded that no particular action should be taken by the Committee in this respect and that he would report to the Council on this issue.

4. Sixth Certification of Changes to Schedules

4.1 The Chairman, referring to GATT/AIR/2096, pointed out that since the last Committee meeting in April, the secretariat had received notifications from Norway, the United States and the EEC regarding aircraft concessions. However, some delegations had not yet made their submissions on aircraft and asked those concerned whether they could give an indication as to when these notifications would be submitted.
4.2 The representative of Canada informed the Committee that his delegation would submit its notification in the very near future.

4.3 The representative of Japan stated that with respect to the incorporation of the Aircraft Agreement products into the Japanese schedule of concessions, some progress had been made. He pointed out that, in the case of Japan, for the last two years, Note 8 to the Japanese Schedule in the Geneva (1979) Protocol had applied and that aircraft products had thus been included in the Japanese schedule since 1 January 1985. However, after having examined the possibility to submit a notification on aircraft products for the Sixth Certification, his authorities had come to the conclusion that they could follow the type of notification submitted by a Nordic country in TAR/126, without prejudice to the Japanese interpretation of Note 8. He added that Japan had made the utmost efforts in this area, having taken into account the desire of harmonization expressed by other signatories. He further said that his authorities did not consider it necessary to amend the Geneva (1979) Protocol.

5. Other Business

(a) Amendment of Decision of 26 March 1980

5.1 Mr. Kautzor-Schröder (secretariat) explained that the decision of the Council of 26 March 1980 on the introduction of a loose-leaf system for the schedules of tariff concessions (BISD 27S/22) in its paragraph 8 provided that earlier schedules and negotiating records would remain proper sources for interpreting tariff concessions until 1 January 1987. This date had been chosen on the premise that contracting parties would submit consolidated schedules of concessions not later than 30 September 1980, as indicated in paragraph 3 of the above-noted decision. However, the submission and subsequent certification of loose-leaf schedules had taken substantially more time than originally anticipated. Out of a total of sixty-three existing GATT schedules, only thirty-nine had so far been submitted and of these thirty-nine, only ten had been approved and were ready for certification. It was therefore obvious that the date of 1 January 1987 was not realistic and feasible any more. In view of this and furthermore in view of the complexity of the negotiations under Article XXVIII in connection with the introduction of the Harmonized System, which were presently being conducted, the secretariat suggested that it might be advisable that the Chairman of the Tariff Committee request the Council to change the Decision in as far as the date of 1 January 1987, in paragraph 8 was concerned and to suggest to replace it by "until a date to be established by the Council". If agreeable this proposal would be included in the report by the Chairman of the Committee on Tariff Concessions to the November Council meeting.

It was so agreed.

(b) Annual Report to the Council

5.2 The Chairman indicated that the next meeting of the Council would take place on 5-6 November and, since the Committee would not meet before that date, he suggested to submit an oral report on the activities of the Committee during the year to the Council on his own responsibility. His statement would subsequently be circulated to all contracting parties in a TAR/ document. It was so agreed.
(c) Date of Next Meeting

5.3 The Chairman suggested to hold the next meeting on 5 December 1986; before that date, informal consultations would be carried out to further work on the provisions of the Protocol.

1 Subsequently fixed for 4 December 1986 (see GATT/AIR/2347).