Notification of Non-Discriminatory Measures

With reference to document No. E/PC/T/256 and the previous documents referred to therein, copies of an exchange of letters between the Chairman of the Tariff Negotiations Working Party and the Delegations of Chile and Norway are circulated thereunder for the information of members of the Tariff Agreement Committee. Copies of a similar exchange of letters with the Lebano-Syrian Delegation will be circulated later.
Exchange of Letters between the Chairman of the Tariff Negotiations Working Party and the Chilean Delegation.

16 October 1947.

Dear Mr. Faivovich,

The Tariff Negotiations Working Party has considered your letter of the 14th October, addressed to the Acting Executive Secretary, regarding paragraph 6 of Article XVIII of the General Agreement on Tariffs and Trade, and listing in this connection the products to which Chile at present applies non-discriminatory protective measures for the establishment, development or reconstruction of particular industries or particular branches of agriculture.

The Working Party points out that paragraph 6 of Article XVIII applies only to non-discriminatory measures used for purposes of development or reconstruction and not for reasons connected with balance of payments difficulties. On these grounds it considers that many of the items listed in your letter do not come within the scope of paragraph 6 of Article XVIII. Moreover, the inclusion in the list of any items on which tariff concessions have been negotiated at Geneva would not be in accordance with the provisions of this Article.

The Working Party feels that, for the reasons stated above, your letter of the 14th October does not meet the requirements laid down in the General Agreement. If, however, in the light of this letter, the Chilean Delegation wishes to submit a revised list of non-discriminatory measures, falling within the scope of paragraph 6 of Article XVIII, it is welcome to do so, but the Tariff Negotiations Working Party would request that this list should be provided as soon as possible accompanied by information on the following points:

1. The nature and amount of each of the measures involved.

2. The date when each such measure came into actual operation and whether it is still in force.

3. Whether such measures are, in fact, non-discriminatory.

4. The purpose of each such measure.

5. Whether any of such measures apply to products with respect to which obligations may be assumed by Chile through negotiations at Geneva with other Members of the Preparatory Committee.
Your earliest advice on these matters will be appreciated.

Yours sincerely,

L.D. Wilgress.
Chairman,
Tariff Negotiations Working Party.

Angel Faivovich, Esq.,
Chilean Delegation,
Palais des Nations,
Geneva.
Letter from: Mr. Faivovich,
Head of the Chilean Delegation,
United Nations Conference on Trade and Employment,
Geneva.

To: Mr. L. D. Wilgress,
Chairman of the Working Party on Tariff Negotiations,
United Nations Conference on Trade & Employment,
Geneva.

Dated: 17 October 1947.

I have received your letter of the 16th inst., containing various observations on the statement made by this Delegation on 14 October in regard to the non-discriminatory protective measures in force in Chile on 1 September 1947.

In reply, I wish to draw your attention to the following:

The statement made by this Delegation on the 14th instant embraces all the measures which, in one form or another, constitute import restrictions, in force in Chile at the date specified. As was indicated in this statement, not all of these measures have as their sole purpose the establishment, development or reconstruction of particular branches of industry or agriculture, since those mentioned under headings (C) and (D) are chiefly designed to safeguard the balance of payments.

I should therefore like to make it clear to you, as you requested, that the protective measures meeting the purposes specified in Article XVIII, paragraph 6 of the General Agreement on Tariffs and Trade, are those mentioned under headings (A), (B) and (E) of the Chilean statement in question. The measures referred to under headings (C) and (D) will be the subject of discussion later in accordance with the provisions of the Agreement relating to the safeguarding of the balance of payments.

With reference to the information requested in Points 1 to 5 of your letter, I wish to convey to you the following:

(1) These measures, as pointed out in my statement of 14 October, are of the following nature:— Heading (A): Application of a Quota. I must inform you that it is a practical impossibility to specify the quantities which will be permitted under this measure, since quotas are fixed periodically in accordance with domestic requirements. Heading (B): Import Prohibition. Heading (E): Excise duties higher than those imposed in respect of like articles of domestic origin.

(2) All these measures were effective on 1 September 1947 and are in force at present.

(3) None of these measures is discriminatory in character.

(4) The purpose of these measures is the development of the domestic production of similar merchandise.
(5) A limited number only of products negotiated on for the Tariff Agreement, are affected by the protective measures specified.

Trusting that this supplementary statement will give satisfaction to your Committee,

I have the honour to be, etc.

(Signed) A. Faivovich

P.S.

The products referred to in point (5) of this letter are the following:

- Sandpaper
- Iron bars of circular section for building
- Jute sacking
- Black fuses for use in mines
- "Optima" tissues
- Fire bricks
- Spirits
Dear Mr. Faivovich,

I thank you for your letter of the 17th October which has been considered by the Tariff Negotiations Working Party.

The Working Party is glad to note that you are able to eliminate sections (C) and (D) from your list. It notes, however, that the remaining sections of your list still contain certain items, including, for example, milling-cutters, boring tools, etc., retort carbon, and tissues of horse hair, which are contained in your Schedule to the General Agreement on Tariffs and Trade. Import restrictions on these products, applied for developmental purposes, will, of course, have to be discontinued under the terms of paragraph 7 of Article XVIII, as soon as the General Agreement becomes effective.

It is further noted that at least one item in section (E) of your list, relating to differential internal taxes, is also contained in the Schedule of Chilean concessions. With regard to other items in section (E) of your list, the Tariff Negotiations Working Party questions whether it is necessary to retain differential internal taxes, in view of the fact that Chile would be free to increase the tariff on these products for developmental purposes.

I shall be glad if you will take note of these facts, also in so far as they may apply to other items still on your list.

Yours sincerely,

L. D. Wilgress
Chairman
Tariff Negotiations Working Party.

Mr. A. Faivovich,
Chilean Delegation,
Palais des Nations.
Exchange of letters between the Chairman of the Tariff Negotiations Working Party and the Norwegian Delegation

11 October 1947.

Dear Mr. Bog,

The Tariff Negotiations Working Party has considered your letter of the 10th October, addressed to the Acting Executive Secretary, regarding paragraph 6 of Article XVIII of the General Agreement on Tariffs and Trade, and listing in this connection the products to which Norway at present applies quantitative regulations for the establishment, development or reconstruction of particular industries or particular branches of agriculture.

The Working Party notes that owing to the limited time, you are unable to state whether all of the regulations mentioned in your letter will be maintained. It feels, however, in any case, that your letter does not meet the requirements of Article XVIII, and therefore requests the Norwegian Delegation to advise it as to:

1. The nature and amount of each of the quotas involved.
2. The date when each such quota came into actual operation and whether it is still in force.
3. Whether such quotas are non-discriminatory.
4. The purpose of each such quota.
5. Whether any of such quotas apply to products with respect to which obligations may be assumed by Norway through negotiations at Geneva with other Members of the Preparatory Committee.

Your earliest advice on these matters will be appreciated.

Yours sincerely,

L. D. Wilgress.
Chairman,
Tariff Negotiations Working Party.

Paal Bog, Esq.,
Secretary,
Norwegian Delegation,
Palais des Nations.
Dear Mr. Wilgress,

Referring to your letter of the 11th October, I beg to give the following additional information regarding the products to which Norway at present applies import regulations for the establishment, development or reconstruction of particular industries or particular branches of agriculture:

<table>
<thead>
<tr>
<th>Product</th>
<th>Import Regulation Introduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lard</td>
<td>1934</td>
</tr>
<tr>
<td>Artificial Lard</td>
<td>1939</td>
</tr>
<tr>
<td>Butter</td>
<td>1934</td>
</tr>
<tr>
<td>Evaporated milk</td>
<td>1936</td>
</tr>
<tr>
<td>Dried milk</td>
<td>1936</td>
</tr>
<tr>
<td>Salted mutton</td>
<td>1939</td>
</tr>
<tr>
<td>Sawn timber and plane boards of softwood</td>
<td>1931</td>
</tr>
<tr>
<td>Plywood</td>
<td>1932</td>
</tr>
<tr>
<td>Feeding stuffs (except Tapioca flour and Rice bran which are included in the consolidated list of Norwegian tariff concessions)</td>
<td>1934</td>
</tr>
<tr>
<td>Products of whale</td>
<td>1939</td>
</tr>
<tr>
<td>Mixed fertilizer</td>
<td>1927</td>
</tr>
<tr>
<td>Oysters and oysters' fry</td>
<td>1936</td>
</tr>
</tbody>
</table>

For all the products mentioned a general import prohibition is in force. Dispensation can be given by the competent Ministry, and is at present not difficult to obtain if the required exchange licence can be produced. The measure is non-discriminatory, and has been imposed for the development of particular branches of industry and agriculture.

The following products are to be omitted from the list sent to the Secretariat with our letter of the 10th October, as they are included in the Norwegian list of tariff concessions:
Molasses
Flower Bulbs
Superphosphate

Furthermore "Potatoes" is to be omitted as the protective measure in this case is imposed as a safeguard against plant disease, and "Certain Seeds" because the main purpose of the protection in this case is quality control.

I take it that you will give the Secretariat the necessary information.

Yours sincerely,

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Hon. L. D. Wilgress,
Chairman,
Tariff Negotiations Working Party,
Palais des Nations.
Dear Mr. Colban,

I thank you for your letter of the 17th October. The Tariff Negotiations Working Party has considered its contents, and notes that for all the products mentioned, a general import prohibition is in force, but that dispensation can be given by the competent Ministry and is at present not difficult to obtain if the required exchange licence can be produced.

From this, the Working Party infers that the only difficulty in connection with the import of the products concerned at present arises for exchange reasons.

It is therefore the view of the Working Party that, having regard to the fact that import restrictions for exchange reasons are covered by Article XII of the General Agreement, it might prove unnecessary for Norway to take advantage of the provisions of paragraph 6 of Article XVIII which in any case are intended to apply only to the transitional period.

Yours sincerely,

L. D. Wilgress.