Committee I - Expansion of Trade

INTERIM REPORT OF COMMITTEE I ON EXPANSION OF TRADE

The Committee met from 5 to 12 February (see documents COM.I/1 and Corrigendum, and COM.I/2) and again from 5 to 8 May 1959. Having reached agreement on the basic points of its terms of reference, it has decided to submit its recommendations to the CONTRACTING PARTIES in the present interim report. A number of other questions remain to be discussed and will be reported upon at a later stage.

The Committee examined the proposal submitted by the United States Government for a new round of tariff negotiations and most members of the Committee stated that their governments were prepared to participate in these negotiations. Consequently the Committee recommends to the CONTRACTING PARTIES the holding of such a conference.

The Committee took into account the fact that the powers of the President of the United States would expire on 30 June 1962, and that, in order to give sufficient time to participating countries to achieve useful results, it would be necessary for the actual negotiations to start not much later than the beginning of 1961. Moreover, the Committee noted that, in accordance with the provisions of the Rome Treaty, the Members of the Community will start adapting their tariffs to the Common Tariff on 1 January 1962, which implied that the re-negotiations contemplated in Article XXIV:6 and, for that matter, the negotiations conducted by the EEC for new concessions, should be concluded before that date.

The representative of the Commission of the EEC stated that the Community would not be prepared to enter into new negotiations until the re-negotiations under Article XXIV:6 are concluded: the Committee recognized that it would be hardly practicable to start negotiations with the Community for new concessions on the Common Tariff before contracting parties had a clear idea of what the Common Tariff would look like as a result of the re-negotiations under Article XXIV:6, but it felt that it would be premature to set a cut-out date for the end of re-negotiations as was desired by the Commission.

The Committee agreed therefore that, in the present circumstances, the best practicable arrangements for the conference appeared to be the following: the conference would start at the beginning of September 1960; and the first part of the conference would be devoted to re-negotiations with the EEC under Article XXIV:6. In order to enable negotiations for new concessions to start early in 1961, as appears to be imperative in order to enable them to be concluded in good time, the re-negotiations under Article XXIV:6 should be concluded before Christmas 1960.
On the assumption that these re-negotiations would be concluded by that date, the negotiations for new concessions could start on 2 January 1961. The Committee recognized that this would involve placing a heavy burden on participating countries and would require them to expedite both the preparations for the conference and the conduct of the re-negotiations themselves, but noted that, in spite of the difficulties involved for them, the governments members of the Committee as well as the Commission of the EEC were aware of the need to expedite these negotiations and were prepared to act accordingly. The CONTRACTING PARTIES should include in their Decision regarding the conference a strong recommendation to participating governments that they take the necessary measures to conduct the re-negotiations under Article XXIV:6 so as to meet the target of Christmas 1960 for the end of such negotiations. Unless the second part of the conference starts early in January 1961, the time at the disposal of participating countries may not be sufficient to enable them to bring to a successful conclusion the negotiations for new concessions which are the main object of the conference.

Finally, the Committee feels that the Tariff Negotiations Committee, to be set up at the appropriate time, should be instructed, inter alia, to follow closely the course of the re-negotiations under Article XXIV:6; to review their progress from time to time; and to assist participating countries in eliminating the difficulties which might be holding up their re-negotiations.

The Committee recommends to the CONTRACTING PARTIES that they decide:

(i) to hold a Tariff Conference as proposed by the United States Government at the thirteenth session; and to set up, at the appropriate time, a Tariff Negotiations Committee composed of all participating governments;

(ii) to convene the conference on 1 September 1960 and that the first part of the conference will be devoted to the carrying out of re-negotiations under Article XXIV:6 with the European Economic Community with a view to concluding such re-negotiations by Christmas 1960, and thereby initiating the negotiations for new concessions in good time;

(iii) to urge all the participating governments to make the necessary arrangements and to give the necessary instructions to enable their delegations to conclude the re-negotiations under Article XXIV:6 by Christmas 1960;

(iv) taking into account what is said in paragraphs (ii) and (iii) above, to set 2 January 1961 as a target date for the opening of negotiations for new concessions;
(v) to include in the terms of reference of the Tariff Negotiations Committee instructions to follow closely the course of the re-negotiations under Article XXIV:6, to review their progress from time to time and to assist in bringing them to a conclusion before 2 January 1961, or soon thereafter;

(vi) to agree that, for reasons of convenience, any re-negotiations which governments intend to undertake before the end of the three-year period of firm validity, should take place during the first part of the tariff conference, i.e. from 1 September 1960 to 24 December 1960; and that, to that effect, these governments be invited to submit any notifications under Article XXVIII as early as possible and not later than 15 July 1960;

(vii) to give to Cambodia, and to any other government invited to negotiate with a view to accession at this time, an opportunity to carry out such negotiations during the second part of the conference, i.e. during the early part of 1961.