1. The meeting was held under the Chairmanship of Mr. G. Stuyck (Belgium) on
18-19 January. This note, which has been prepared by the secretariat on its own
responsibility, sets out the main points raised at the meeting.
2. Indonesia was welcomed as a full member of the Committee.

Techniques and modalities

Tariffs

3. The Committee agreed to proceed to a detailed examination of a limited number
of techniques for negotiating on tariffs, which might be used in the forthcoming
negotiations. It was understood that no technique would be definitively excluded
and that it was not for the Committee to choose the technique or techniques to be
used in the negotiations but, as in other areas of its work, to establish a better
comprehension of their implications on which decisions could be based at an
appropriate time.
4. The Committee noted that a number of detailed tabulations designed to facilitate an assessment of the implications of certain possible techniques and modalities for tariff negotiations had already been agreed by the Working Party on the Tariff Study and presented to the Committee (COM.IND/N/91 and Addenda 1 to 8 and 10).

5. The Committee recalled that its last report to the Council set out seven types of technique for negotiating on tariffs (L/3756, paragraphs 12 to 35).

6. There was general agreement in the Committee that the item-by-item technique and the continuation of the Kennedy Round cuts did not merit further detailed study at the present time. One delegation pointed out, however, that the item-by-item reductions in the industrial tariff might be made by agricultural exporting countries in exchange for concessions on their main export products.

7. There was also general agreement, in the light of the views which had been expressed by various members of the Committee, that duty-free trade in industrial products, techniques for the linear reduction of tariffs and harmonization techniques did merit further detailed study, and that the possibility of a combination of different techniques should also be kept in mind.

8. It was also suggested that, in addition, the elimination of "nuisance" duties, the setting of tariff ceilings and the technique of eliminating tariffs by sectors should be examined in detail.

9. The Committee agreed that the discussion on this point would be useful to delegations in their preparatory work for the negotiations. The Committee also agreed that the Working Party on the Tariff Study should examine the possibility of presenting further detailed tabulations designed to facilitate an assessment of techniques for tariff negotiations, taking this discussion into account.
10. A number of points were made in the Committee with regard to different categories of techniques.

11. Some delegations recalled that they supported the objective of duty-free trade in industrial products. Some delegations said that study of this objective would be valuable since it would throw light on the techniques which could be used to achieve this or other objectives.

12. One delegation said that in their view, harmonization techniques should, as a minimum, require tariff cuts by all participants and that the concessions for each country should be shown in any tabulations that were drawn up. This delegation said that harmonization techniques, which required some participants to make larger tariff cuts than others, would create an imbalance which would have to be made up in other areas of the negotiations. Preferences, as well as high tariffs, might distort trade and both factors should be taken into account in devising harmonization formulae - although preferences granted under the Generalized System of Preferences could be left aside. This delegation also urged those delegations which proposed the study of harmonization techniques to give thought to the way in which reciprocity might be achieved by action in other areas of the negotiations if there were no built-in balance in the tariff field. Other delegations agreed that preference should be given wherever possible, to techniques which would come as near as possible to providing a balance. One of the main considerations which led these delegations to propose the study of tariff harmonization was that it would correct the present situation in which some countries had negotiated away their tariffs while other countries were left with high bound, or even unbound, tariffs.
Non-tariff measures

13. The Committee had agreed that it would "review the Illustrative List (annexed to COM.IND/W/76) of non-tariff measures listed in the Inventory and that it should plan to update the Illustrative List so that it would have an overall view of the non-tariff measures which could possibly be dealt with in the negotiations" (L/3756, paragraph 40).

14. The Committee agreed that no non-tariff measure should be excluded definitively from the negotiations and that delegations retained the right to make new notifications for inclusion in the Inventory at any time.

15. After some discussion, the Committee agreed that the Inventory of non-tariff measures should be updated by the secretariat, taking into account any new notifications or withdrawals of existing notifications received by 1 April 1973. It also agreed that the secretariat should draw up a balance sheet of notifications made, showing *inter alia* those categories which were being dealt with and those which had still to be taken up.

16. The Committee agreed that each member should establish the relative importance which it attached to dealing in the forthcoming trade negotiations with the various non-tariff measures in preparation for the establishment of a common list of priorities. A first exchange of views would be held at the next meeting.

Sector approach

17. It was suggested that this technique, which called for all factors affecting trade in specific sectors, including tariffs and non-tariff measures, to be dealt with together, should be examined.
Safeguards

18. The Committee recalled that it had agreed to examine the adequacy of existing safeguard provisions in the context of the General Agreement (i) in the light of present conditions and efforts to achieve and preserve a further liberalization and expansion of trade, and (ii) for ensuring the maintenance of access.

19. A majority of delegations supported the proposal for the establishment of a sub-group to examine the safeguard question but, at the request of other delegations, the Committee agreed to defer a decision on this until its next meeting.

20. The secretariat circulated a revised version of a factual note on safeguards which took into account points raised by delegations at the previous meeting (COM.IND/W/88/Rev.1). The Committee requested the secretariat to prepare a similar background note on measures designed to safeguard access referred to in (ii) above, including the situation with regard to tariff bindings as well as with regard to Articles XXII and XXIII. The secretariat was invited to examine whether any other documentation might be useful in the further examination of this question, and possible terms of reference for a sub-group. One delegation stressed that the sub-group should not be a negotiating body, but should examine the facts and compare views on the elements of a possible safeguard mechanism; such elements would include, inter alia, the link between the application of safeguard measures and industrial adjustment, the criteria for application, and a panel for multilateral surveillance.
21. Some delegations said that a balance must be struck between the interests of importers and those of exporters. A system should be created which would give sufficient time for sensitive industries to adapt to temporary difficulties, which gave sufficient protection against imports causing market disruption while not affecting other imports, and which provided adequate stability of concessions. These delegations said that the discussions should cover all the various elements, including the definition of injury, the imports to which action should apply, the scope and duration of action, the burden of proof, the procedure in urgent cases, consultations and international surveillance. Finally, consideration should also be given to the suggestion for the use of a panel procedure.

Implications for developing countries of various suggested techniques and modalities

22. The Chairman recalled that developing countries had taken the view that an examination of the implications for them of specific negotiating techniques would be facilitated when a better understanding had been reached regarding the principles and objectives of the negotiations. Representatives of developing countries indicated that they did not wish to take up the substance of the matter at the present meeting. Some suggestions were made for further studies.

23. The Committee agreed to take up the matter again, including suggestions made for further studies, at its next meeting if developing countries so desired.

Working Group 3 - Standards

24. The Chairman of Working Group 3, Mr. F.T. Eastham (Canada), recalled that his last report to the Committee (L/3756, Annex 1) had indicated that the Working Group might finalize its work on standards by the end of 1972. He had to report that the Group had not been able to conclude its work at its December meeting, deciding to suspend the meeting and to resume it in the new year.
25. All delegations which spoke regretted that the Working Group had not been able to conclude its work. Some delegations said that they had been working in all of the Groups, including the Group dealing with Standards, on the assumptions that the question of the implementation of solutions was separate from the drawing up of solutions and that as many ad referendum solutions as possible should be drawn up before the opening of the negotiations. They asked whether other delegations were working on the same assumptions. Some delegations said that Working Group 3 was confronted with a number of complex and difficult problems; the main thing was to ensure that these were dealt with satisfactorily. One delegation said that they would prefer to see the key issues carried over to the negotiations if the alternative were to settle for an unsatisfactory code in advance. The Committee agreed that the Working Group should push ahead with its work as rapidly as possible.

Programme of meetings

26. The Committee agreed that it should meet again towards the end of April or the beginning of May and that the exact date should be set up by the Chairman in consultation with delegations.

27. The Committee recalled that the Working Group on Tariff Study would meet on 24 to 26 January and agreed to the following programme of meetings for its Working Groups:

<table>
<thead>
<tr>
<th>Working Group 1</th>
<th>Export subsidies</th>
<th>10 and 11 April</th>
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<tbody>
<tr>
<td></td>
<td>Countervailing duties and domestic subsidies</td>
<td>12 and 13 April</td>
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<td>that stimulate exports</td>
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Working Group 2 - Import documentation and consular formalities

16 and 17 April
(if progress reports are available from the Customs Co-operation Council and the Economic Commission for Europe)

Working Group 3 - Standards

15 to 22 March

Working Group 4 - Quantitative restrictions (including embargoes) and export restraints

26, 27 and, if necessary, 28 March

28. The Committee took note of a suggestion that the mandate of Working Group 1 be enlarged to cover all domestic subsidies which distort trade and agreed that a decision on this question could be taken by the Working Group.

29. The Committee agreed that the Chairmen of its subordinate bodies should submit progress reports to its next meeting.