GENERAL AGREEMENT ON TARIFFS AND TRADE

WORKING PARTY ON THE ASSOCIATION OF OVERSEAS TERRITORIES WITH THE EUROPEAN ECONOMIC COMMUNITY

Publication of Report and Commodity Trade Studies

Background

At their Twelfth Session in October-November 1957, the Contracting Parties to the General Agreement on Tariffs and Trade examined the relevant provisions of the Rome Treaty establishing the European Economic Community in the light of the obligations which the Member States of the Community have assumed under the General Agreement. At the end of that Session the work was continued under the auspices of the Intersessional Committee which appointed a working party "to study the problems which the association of overseas countries and territories with the European Economic Community raises for the trade of other contracting parties to the General Agreement".

The Working Party made an examination of the trade in twelve commodities which were regarded as being of special concern to contracting parties, namely:

- cocoa
- coffee
- tea
- bananas
- sugar
- tobacco
- oilseeds
- cotton
- hard fibres
- wood
- aluminium
- lead

Trade studies on each of the above commodities were completed and set out in the form of Annexes to a Report which the Working Party submitted to the Intersessional Committee in 1958.
The Report

After an Introduction, which describes the way in which the Working Party tackled its assignment, the Report sets out certain points of a legal nature together with relevant views advanced by the representatives of the Six and by other members\(^1\) in the course of the discussions. These points concerned, firstly, the association of the overseas territories with the Community and, secondly, the territories whose association was under consideration.

The Report then proceeds to summarize the discussions of a general character on economic issues. These are set out under the following subjects:

(a) The Scope of the Discussions
(b) Effects of Differential Tariffs on Prices and Demand in the Community and the Associated Overseas Territories
(c) Effects of the new Tariff Regime on Production
(d) Effects of the new Tariff Regime on Patterns of Trade
(e) Effects of the new Tariff Regime on World Markets
(f) Replies by the Representatives of the Six to some of the arguments in (b) to (e) above
(g) The Analytical Method followed by the Working Party

Finally, the Report examines general issues relating to the Treaty of Rome, under the following heads:

(a) The Calculation of the Arithmetical Average (where the common tariff is based on the arithmetical average)
(b) Fiscal Duties
(c) The use of Applied or Legal Rates in the Tariff Calculations
(d) Tariff Quotas
(e) Tropical Items appearing in Lists F & G
(f) Internal Harmonization of the Common Market
(g) Accelerated Introduction of the Tariff Arrangements
(h) Quantitative Restrictions
(i) The Agricultural Provisions of the Treaty of Rome

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\(^1\) The Working Party consisted of the following:

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<thead>
<tr>
<th>Brazil</th>
<th>France</th>
<th>Indonesia</th>
<th>United Kingdom</th>
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<tr>
<td>Ceylon</td>
<td>Ghana</td>
<td>Netherlands</td>
<td>United States</td>
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<td>Chile</td>
<td>Greece</td>
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<td>Dominican Republic</td>
<td>India</td>
<td>Rhodesia &amp; Nyasaland</td>
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Annex B is a Summary Table of Trade in 1956 in the Commodities examined by the Working Party.

The Twelve Commodity Trade Studies

The Working Party divided its consideration of each commodity into three parts:

(a) An examination of the factual position of the commodity under the Treaty, taking into account: the import duties of the Six (the legal rates as well as the rates actually applied on 1 January 1957); the level of the common tariff and the rate at which that level will be reached by the Six; the rate at which tariffs will be reduced to zero for imports from the associated territories; the position with regard to fiscal duties and quota arrangements; and the position of the commodity under the agricultural provisions of the Treaty and Annex II.

(b) An analysis of the pattern of world trade, taking into account exports from the associated territories and from other suppliers to the Six, and the supplies available in those territories or elsewhere.

(c) A discussion of short-term effects of the provisions of the Treaty on patterns of trade and price levels, and also of the probable long-term effects, due account being taken of the production programme of individual countries and of foreseeable trends in world consumption.

The Study on each commodity, therefore, is similarly divided into three parts.

Publication

In making public this Report and its twelve annexed commodity trade studies the GATT secretariat decided, in view of the bulk of the material involved, to issue them in their original mimeographed form, bound in one volume.

Copies can be obtained only from the GATT secretariat, Villa le Bocage, Palais des Nations, Geneva. Copies will not be available through United Nations' sales agents.

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