As a result of further meetings of the Committee which took place during the fifteenth session of the CONTRACTING PARTIES, the Committee agreed to delete the square brackets around certain passages of the report and to add the following paragraphs to its report contained in document L/1043:

1. The delegations of Belgium, France, Germany, Italy and Sweden are not in agreement with the inclusion of the last three sub-paragraphs of Section II(b)(ii) in the Annex "Rules and Procedures for the Tariff Conference" and will request the CONTRACTING PARTIES to delete these passages. In so doing it is not their intention to prevent negotiation on the measures referred to in these paragraphs between contracting parties which wish to carry out such negotiations. The statement made by the representative of the European Economic Community during the discussion is annexed hereto.

2. Several delegations, whilst not opposing the inclusion of these passages, wish to make it clear that their acceptance does not involve any obligation in relation to the forthcoming tariff negotiations.

3. In addition, one delegation questioned the desirability of including these matters in the negotiating rules, particularly if a number of important contracting parties were not prepared to negotiate in respect of them. Its final position would, however, depend on the general view of the CONTRACTING PARTIES.

4. The United Kingdom delegation wish to make it clear that in acquiescing in the inclusion of the words "and other measures" in the first sentence of Section II(a) they do not consider that the other measures referred to constitute such serious obstacles to the balanced expansion of trade as do customs duties; they consider that negotiation concerning these measures should be regarded merely as an additional objective to the objective of reducing tariffs by negotiations.

5. It was agreed that the inclusion of internal taxes in the negotiating rules would be subject to the understanding contained in the Interpretative Note to Article 17 of the Havana Charter.
The Committee agreed to amend the first paragraph of Section II(a) in the "Rules and Procedures for the Tariff Conference" to read as follows:

"The CONTRACTING PARTIES, recognizing that customs duties and other measures often constitute serious obstacles to the balanced expansion of trade, have ............. ."

The representative of the United States reserved his position on this point.

ANNEX

[to follow]
ANNEX

STATEMENT BY THE REPRESENTATIVE OF THE COMMISSION ON BEHALF OF THE EEC IN COMMITTEE I

A number of contracting parties have expressed the view that the principle of the negotiability: (a) of import restrictions maintained under paragraph 2(c) of Article XI; (b) of the level of subsidies which operate directly or indirectly to reduce imports; and (c) of internal taxes, should be included in the negotiation rules.

Is this necessary, in order to enable the contracting parties which wish to negotiate non-tariff measures, to carry out such negotiations? We do not believe that this is the case, considering in particular that it is known - and those who requested this insertion have confirmed it - that such an inclusion would not involve any commitment on the part of countries participating in the forthcoming tariff conference.

The Community wishes to indicate clearly that, whatever procedures are adopted, the text of such procedures cannot result in creating new obligations for the contracting parties, or cannot imply any measure of agreement on interpretations which in fact would amount to amending indirectly certain provisions of the General Agreement.

Furthermore, the Community wishes to recall its position as stated in September last, and reproduced on page 6 of document L/1043. The position of the Community remains unchanged. The reason why the Community had made its position known only in respect of the problem of internal taxes, was that at the time the Australian proposal had only received very limited support from members of the Committee. I must state now, on behalf of the Community, that the reasons given in support of our intention not to enter into negotiations in respect of internal taxes are also valid as regards other non-tariff measures.

During the 1961 conference the Commission will negotiate only for tariff concessions.