Distribution of Draft

The Tariff Negotiations Committee at its meeting, in Executive Session, of 4 May 1956 decided that the records of the review of the results of the negotiations should be issued as a "secret" document in draft form and then appear as a "restricted" document.

Any references in the draft to matters of a secret character should be pointed out to the secretariat so that they may be deleted before this document is reproduced in the "restricted" TN.56/C/.. series.

PROJET DE RESUME DES DEBATS DE LA REUNION DU COMITE DES NEGOCIATIONS TARIFAIRES

Distribution du projet

Lors de la séance restreinte qu'il a tenue le 4 mai 1956, le Comité des négociations tarifaires a décidé que le résumé des débats qui ont eu lieu dans le cadre de l'examen général des résultats des négociations serait distribué, sous forme de projet, comme document secret et paraîtraient ultérieurement dans la série "restricted".

Toutes mentions de questions sur lesquelles le secret doit être observé qui pourraient figurer dans le projet devront être signalées au secrétariat pour qu'elles soient supprimées avant la parution du document dans la série "restricted" TN.56/C/.. .
Subjects discussed:  
1. Review of results of negotiations  
2. Signature of Protocol  
3. Statistical coverage of negotiations

1. Review of the results of negotiations

The CHAIRMAN said that in accordance with the proposal agreed upon at the previous meeting of the Committee, the delegations who desired should make statements on the general conduct of the negotiations and the overall results of the Conference. Conclusions could then be drawn.

Mr. CORSE (United States) said that the negotiations were too close to arrive at a complete and accurate evaluation of their results. He would therefore only give his general impressions. As far as the negotiations with the United States were concerned, they were deemed satisfactory. His delegation had concluded twenty-one bilateral negotiations. The concessions granted by the United States covered imports valued at almost one billion dollars. Between 75 and 80 per cent of this import trade was being supplied by countries participating in the negotiations. Except for $250 million, the average of the tariff reductions amounted to 15 per cent, the concessions themselves ranging between 12 and 20 per cent.
On the other side, the United States had received direct concessions on exports valued at approximately $400 million. A part of these concessions consisted of the binding of existing duties or free entry treatments. Tariff reductions ranging between zero and 100 per cent had been obtained and it was therefore not possible to make an estimate of the average level of these tariff reductions. The benefits from indirect concessions could not yet be evaluated.

The survey of the United States concessions included the compensation granted with respect to United States action under Article XIX on bicycles. The figures, however, did not include the tariff modifications connected with the renegotiation of the item discussed at the last meeting of the Intersessional Committee and of another to be discussed shortly.

The United States had not fully utilized their negotiating powers. Some offers had to be withdrawn, usually in cases where agreement could not be reached on as broad a basis as was wished.

In general, the results of the Conference were better than had generally been expected. He recalled the pessimistic statements made at the opening of the Conference.

The Conference would also furnish valuable experience in the field of negotiation procedures. Attempts had been made to carry out various types of multilateral negotiations. Some had proved unsuccessful; he had hopes that one or two such negotiations, which were in progress would meet with success. The experience which had been gained would be of use in future negotiations.

There had been frequent reference to new rules for the reduction of tariffs. He agreed that the GATT plan was technically feasible. He thought, however, that the implementation of such a plan would involve so many serious problems of negotiation that it made him wonder whether the plan would in fact be workable. There were so many practical problems to be solved, such as those of ceiling rates, the composition of sectors, the number of sectors etc. that it would be necessary to solve almost every negotiating problem before deciding to accept the plan. This would still leave unsolved the problem of arriving at a satisfactory exchange of concessions on a bilateral basis. This was difficult even in the case of a restricted number of commodities; the difficulties were multiplied when the number of products increased. One of his conclusions was that the rules were merely an aid whereby the facts could be analyzed and a decision taken as to what constituted a fair bargain. This would always involve a considerable measure of subjective judgment. He wished to reiterate that in any type of negotiations two essential principles had to be borne in mind: that of reciprocity and that of selectivity.
In conclusion, he said he would report to his Government that the results of the negotiations were satisfactory and that the existing rules had again led to results which would contribute to the expansion of international trade, which is one of the principal objectives of the General Agreement on Tariffs and Trade.

Mr. FORTHOMME (Belgium) said that he could not associate himself entirely with the views expressed by the representative of the United States. His delegation had appreciated the efforts of numerous negotiating partners to make interesting offers and to improve these offers during the negotiations; the representatives of the Benelux had done the same and in this way it had proved possible to achieve results which were not to be disdained. The Belgian delegation would report this to its Government, but it would also have to report that the results of the Conference had reinforced the conviction that the present rules would never provide the basis for tackling effectively the problem of prohibitive or high tariffs.

Without illusions from the outset his delegation had pointed out that the insistence on strict bilateralism in the negotiations and on balance of concessions without regard to the existing disparity between tariff levels would not lead to useful results. The course of the negotiations had not modified that opinion. If it was considered that the national interest lay in the maintenance of the existing positions of massive protection, then the results of this Conference were indeed satisfactory. Protectionist strongholds had been left untouched. He did not say this with self-laudatory intentions: he was calling attention to a fact which was a direct concern of all. The present situation was contrary to the objectives of the Agreement and if the CONTRACTING PARTIES clung to the system of bilateral nibbling at tariffs there would be no further progress. Delegations must make this clear to their governments. They should be told that the national interest would not be served by sticking to protectionist positions which stifled the export possibilities of sound and dynamic industries. They should be asked to adopt a new system for reducing duties so that tariff barriers could be lowered which had appeared unyielding until then. Governments should no longer deny the facts by agreeing to take part in negotiations which resulted in masking reality.

He had recently read a document which gave him reason to hope. He referred to "Foreign Economic Policy: Report of the Joint Committee on the Economic Report to the Congress of the United States" (No.1312 American Senate, 84th Congress, 2nd Session). He had found in this document words of great wisdom. Quoting at random:

"A poor country will not make itself rich by raising trade barriers, nor will a rich country be better off for doing so."

"Distinction must be drawn between the general or national effects of trade competition and the specific effects on individual industries."
"Dislocations are a normal part of economic growth: those associated with trade are neither more nor less important in character than those of strictly domestic origin, and similar remedies seem to be in order for both."

"Tariffs are a clumsy weapon for trade protection; quotas have even worse economic effects; administrative protectionism may cause the greatest problems of all."

A final passage would show why he was hopeful:

"The most significant conclusion on United States policy of the last twenty years is that we have managed to stem the world tide of rising controls on trade; that course must not be reversed now. Although we appear to have cut many duties up to 75 per cent from the peak rates of 1930, most of these cuts have been in items which would not interfere seriously with the existing pattern of production in the United States. From this point on, it will be harder to make substantial cuts in tariffs without arousing more domestic objection. We must strive to hold the line against any reversal toward greater restriction and continue to encourage behaviour on the part of other countries to reach a similar degree of liberalization, if it has not been attained. Other findings of this report recommend we must do even better in the national interest then this."

Mr. Forthomme said that such views were encouraging. All countries had serious difficulty in liberalizing their trade. Small countries could not take the lead because the risk of seeing their national markets flooded without compensation abroad was too great for them. The initiative belonged to the larger countries. If they showed boldness and imaginative realism the larger countries would provide the smaller countries with the weapons with which to dismantle their strongholds of protectionism.

Mr. PERLESCH (Italy) said that he had not had sufficient time to assess fully the results of the conference for Italy. He could, however, make some general statements and point out certain difficulties which had prevented the conclusion of agreements with certain countries more commensurate with the scope of their trade and the possibilities of their economies. The improvement of the initial offers of Italy, had clearly demonstrated the concrete will of his country to enlarge the scope of the agreements. Difficulties had no doubt been encountered by all. His own delegation had been confronted with particularly difficult situations which had demanded real efforts in certain sensitive sectors of their economy. The direct concessions made by Italy covered an import trade of $80 million, while indirect concessions made to its negotiating partners (France and Denmark included) corresponded to imports valued at $75 million. The efforts of Italy would very clearly appear by comparing initial offers of $15 million with final ones of $145 million.
Italy had, furthermore, contributed to the conclusion of the agreement of the High Authority with the United States and with Austria with concessions covering respectively $6 million and $12 million.

Although the outcome of the bilateral negotiations with certain countries was not deemed completely satisfactory, his delegation could consider itself satisfied with the results of the Conference if account was taken of the situation at the beginning of the Conference.

He considered as satisfactory for both countries the agreement concluded with the United States, both because of the scope and quality of the concessions. The same could be said of the agreements with Germany - all the more gratifying because of the extensive agreement concluded at Torquay - and with Canada. He had hoped to achieve with the United Kingdom an agreement more commensurate to the volume of trade between the two countries. The scope of the negotiations was limited by the decision of the United Kingdom not to negotiate on agricultural products and by the impossibility for the United Kingdom delegation to consider making substantial concessions on textile items. The exchange of concessions was nonetheless of interest to both partners.

Mr. Ferlesch said that difficulties had arisen in the negotiations with the low tariff countries. Despite the efforts of the Italian delegation to broaden the scope of their negotiations the low tariff countries were not prepared to make a further effort to compensate the more extensive Italian offers. The negotiations with Sweden and Norway were rather limited, although one should never underestimate the favourable effect they might have on the expansion of trade. The lack of offers particularly in the field of agricultural and textile products, had reduced the scope of these agreements. The agreement which he expected would be completed shortly with Benelux was a limited one. His delegation would have wished to expand the scope of the negotiation and had in fact offered duty reductions on products of great interest to the Benelux countries, but these offers had to be dropped because of the lack of possibilities of compensation.

He sincerely regretted that an agreement had not been reached with Denmark. The Danish decision not to pursue further the negotiation because they did not see in the reciprocal offers an adequate basis for the conclusion of an agreement had evidently been taken for reasons of principle. He fully understand the serious difficulties which Denmark had to overcome in exporting its agricultural products; he understood those difficulties because Italy had the same problems in finding an outlet for its own agricultural products in almost every country, including Denmark. Nonetheless he thought it should have been possible to reach an agreement by exploring all sectors.
He wondered whether the low tariff countries had really tried to exploit fully the possibilities offered by the Conference. He had the impression that their well-known predilection for other procedures had had a negative influence on the negotiations, at least in so far as Italy was concerned.

He wished to refer to the question of multilateral negotiations which according to some participants were to give a new and wider perspective to the Conference. Apart from the fact that all tariff negotiations under the General Agreement were essentially multilateral, he wished to recall that his delegation had indicated their preparedness to examine any proposals which might be submitted to them. He did not, however, find that a particular effort had been made by the countries which had stressed the multilateral aspect, to make proposals which could be favourably received by a certain number of countries. What proposals had been made did not correspond to his view of a multilateral negotiation, which requires a minimum of balance between sacrifices and advantages. On the two products in question Italy would have been required to reduce duties without any corresponding advantage: their exports were in fact directed to countries not participating in the present Conference. Moreover, on one of those items, a uniform levelling down of the duty was proposed. His delegation had already made known their view on the question of a levelling of duties. This was a conception which did not take account of the situations of different countries. Therefore, apart from individual cases, he did not see how this solution could be made to overcome the difficulties which confronted it.

Mr. TOGO (Japan) said that as explained earlier by the head of his delegation, the participation of Japan in the present Conference had been limited to negotiations with two countries. Both negotiations had come to a successful conclusion, although their scope had been somewhat smaller than they had originally hoped.

In its negotiations with the United States, Japan had to give up a part of the original offers made to them by that country in order to arrive at a reasonable bilateral balance. In view of the extensive negotiations with the United States last year, it had in fact not been found possible to make very substantial new concessions. An attempt to offer concessions on items on which no request had been made was abandoned when it became clear that this approach could not enlarge the scope of the negotiations. His delegation therefore believed that Japan had exhausted the possibilities for negotiation on a bilateral basis with the United States for at least some years to come. In the negotiations with Sweden Japan had to withdraw with regret a part of its original offers in order to achieve a reasonable balance of concessions. Also in this case the attempt to expand the scope of the negotiations by asking for additional requests had failed. When making these remarks, he did not intend to underestimate the significance of the current negotiations or the merit of the negotiation procedures. His country had participated in the Conference with a view to improving upon the results of previous
negotiations, and he believed that in the light of the existing situation the results of the negotiations had contributed substantially to lowering and stabilizing the general tariff levels. He had hoped, as the head of his delegation had stated earlier, that Japan would have been able to negotiate with a larger number of countries so that the results of its negotiations could have been conducted in a more multilateral context.

He wished to refer to the rather conspicuous absence from the Conference of the Asiatic countries. This absence was evidently related to the special difficulties which under-developed countries face when they take part in tariff negotiations. In his view, tariff negotiation conferences should not be focussed only on the exchange of concessions among the highly developed countries because the general objectives of stabilizing tariff levels were applicable without distinction to all the members of the General Agreement. He therefore believed that the negotiation procedures which might be elaborated in the future should give due consideration to this problem so that the under-developed countries could also join in the effort to stabilize, if not immediately reduce, the general tariff levels.

He had not had sufficient time to study the results of the negotiations among the various other participants in the Conference, but he had no doubt that the experience which had been gained would guide the CONTRACTING PARTIES in their endeavour to develop appropriate procedures for future negotiations. His Government would always be ready to contribute its share to the work of the CONTRACTING PARTIES for the lowering and stabilizing of tariff levels.

Mr. MONTE (Sweden) said that his country had shown no great optimism at the beginning of the Conference. At this stage it appeared difficult to evaluate the results of the negotiations since the main benefit which Sweden expected to derive from the Conference was still dependent on the outcome of an uncompleted multilateral negotiation.

The concessions granted by his country were substantial and covered an import trade of approximately $110 million.

He felt that the rules which had been set up for the Tariff Negotiations Committee and the working party had proved to be an advance over earlier procedures; he thought, however, that a better use could have been made of the Tariff Negotiations Working Party during the bilateral negotiations. The experience which had been gained in the multilateral negotiations would very likely prove useful in future negotiations. Little or no progress had, however, been made towards the elimination of prohibitive duties and the reduction of the disparity in tariff levels. These objectives could only be achieved by the adoption of a new system of negotiation. He regretted that the limited participation of one major trading nation had reduced the scope of the negotiations.
Mr. van WIJK (Kingdom of the Netherlands) associated himself with the views of the representative of Belgium. The difficulties, outlined by the representative of Italy, which prevented a wide agreement between Italy and Benelux, proved the contention of the representative of Belgium that the low tariff countries had exhausted their possibilities of making concessions and that a new approach was necessary if further progress was to be made.

Mr. HJORTH-NIELSEN (Denmark) said that at the very outset of the Conference his delegation had expressed doubts as to the value of the negotiating rules. Unlike others, he found the final results of the Conference even more disappointing than he had initially expected. Denmark had entered into seven negotiations and had concluded only four. He did not believe that the unsuccessful conclusion of the negotiations with Italy was due to reasons of principle, as stated by the delegate of Italy, but simply because offers had been too limited to justify an agreement. Denmark had received concessions on exports valued at $3 million; further offers had been received but it had proved impossible to find satisfactory compensation. He asked the Committee to compare the above figure with that of $200 million corresponding to their exports of a product on which a duty of 10 per cent was about to be imposed. There had been practically no offers in the field of agriculture. As had been already acknowledged at the preliminary review of offer lists, the agricultural sector had been almost completely left out of the picture. This was of primary concern for his country which derived 70 per cent of its foreign trade revenue from the export of agricultural products.

If, beside the resulting tariff bindings, the Conference had demonstrated that at the present stage the bilateral approach to tariff negotiations was obsolete, then it had proved valuable. Denmark had always realized that the bilateral negotiation system would be incapable of dealing with the hard core of protection. If the CONTRACTING PARTIES resigned themselves to similar conferences every three or four years, they would never make any real progress. Low tariff countries had no bargaining power left. He fully endorsed the views expressed by the delegate of Belgium when he had said that concessions had been exchanged where tariff reductions did not hurt. The hard core of protection had remained untouched; the disparity in tariff levels had not been reduced. Any tariff conference based on the same procedures would fail to reduce tariff disparities.

It could be expected that the meagre results which Denmark had achieved at this Conference would affect its trade policy in other fields: their attitude to this Conference was closely linked with the attitude they would take in another organization.

The general view of the Danish Government was that an essential thing in any tariff conference was the genuine preparedness on the part of the participants to lower tariffs. This was more basic than the two principles cited by the representative of the United States. The principle of reciprocity would require low tariff countries to make concessions they could not afford; the principle of selectivity would allow negotiators to give concessions where they did not hurt.
He supported Mr. Forthomme in his appeal to the high tariff countries to take the lead in reducing tariffs.

Mr. BERG-NIELSEN (Norway) said that at the outset of the Conference his delegation had not entertained very high hopes. It was clear that the scope of the negotiations would be limited, both on account of the restricted negotiating powers of some and of the limited participation of others. His Government, however, unlike others, had nonetheless thought that no opportunity should be missed and had accordingly decided in favour of participation. At the first review of the offers made to Norway, his delegation had become frankly pessimistic. The offers were very disappointing. Their hope that in the course of the bilateral negotiations some improvement would be achieved had only materialized in part.

So far, the direct benefits to Norway, although not what they had hoped, were of a certain significance. The indirect benefits on the other hand were very small. However, if the multilateral negotiations still taking place were satisfactorily concluded, his general impression of the Conference would be altered. As his Swedish colleague had pointed out, the success of this negotiation would prove that the multilateral approach could be pursued further.

Mr. Berg-Nielsen was disappointed that the provisions of Article XXIX of the General Agreement, as further elaborated in paragraph 1 of the rules of procedure, had not been adequately taken into account. In line with other speakers he also had to conclude that it was impossible to tackle the tariff problem with the present procedure of bilateral negotiations on a product-by-product basis. He further regretted that fuller use had not been made of reducing tariff levels, particularly in view of the fact that considerable time would elapse before another occasion arose. When the next conference was convened, tariff negotiations would have to be conducted along different lines and on another basis.

Mr. LATIMER (Canada) said that taking account of the limited negotiating powers of some participants, of the number of negotiations conducted by the participants and of the progressive exhaustion of possible concessions through several conferences, the results of the present Conference could be considered reasonably satisfactory. The Canadian delegation had successfully completed eleven negotiations and did not find the present methods unsatisfactory. If it was felt, however, that recourse should be had to new rules for negotiations, his country would be prepared to consider them, provided its major trading partners were ready to do the same.

Mr. KLEIN (Germany) said that his delegation had already signed eight agreements and hoped to be able to conclude four more during the next few days. They were satisfied with the outcome of the bilateral negotiations and paid tribute to the spirit of understanding and of co-operation shown by their negotiating partners. When their original offer list had been discussed, the hope had been expressed that the German delegation would expand it in the
course of bilateral negotiations. He felt they had fulfilled that hope; while the first list contained 200 offers representing an import value of $72.3 million, their concessions would, after the conclusion of all their negotiations, comprise 500 concessions valued at $300 million. The offers had thereby been quadrupled, and of 800 requests addressed to her, Germany would have met 500. Seventy-five of these concessions, valued at $60 million, were in the sectors of agriculture and foodstuffs. His delegation had unfortunately not been able to grant concessions in respect of specific agricultural products which were of interest to some of its negotiating partners for reasons which he had explained when the initial offer lists had been discussed. He would simply indicate that imports of these goods were steadily increasing: the existing rates of duty could not, therefore, be regarded as discouraging imports. Some delegates who had spoken before had appeared sceptical about the results achieved at this Conference. He would prefer to judge these results in a more positive and optimistic light.

During the bilateral negotiations it had been argued that reductions of duties might not be of great importance at present when foreign trade was expanding, but that these reductions might become useful in the event of any recession in world trade. He thought that one should not worry too much about the possibility of a recession, but that every effort should be made to maintain and increase the present volume of foreign trade. This was particularly the view of his Government, which was making serious efforts to maintain a steady and sound rate of economic development. In this endeavour his Government had issued several decrees temporarily lowering duties. A stable and developing market in Germany was of importance, not only to them but also to their trading partners. To his regret he must also state that the absence in this Conference of some contracting parties had limited the scope of the German concessions.

In his opinion the results achieved at this Conference would turn out to be more favourable than could have been expected at the opening of the Conference, taking into consideration the rather pessimistic views expressed by some delegations at that time. In all probability, several thousands of additional rates of duty would be reduced or bound by the contracting parties. Thus, a further valuable contribution would be made towards the common assets of the contracting parties - the existing schedules - and a proportionate share of world trade would be favourably affected. The contracting parties should find in this fact grounds for satisfaction and for confidence in their common endeavour.

Mr. Sanders (United Kingdom) said that, as explained by the permanent secretary to the Board of Trade at the outset of the Conference, the United Kingdom had embarked upon the negotiations in the belief that, operating under the rules that had been agreed, useful progress could be made with the reduction of trade barriers. At the same time it had been said that no dramatic results were expected.
The factors limiting the possibilities of this present negotiation had been referred to many times. Apart from the limitations of the negotiating powers of the United States and the practical limitation on the use of them, there was the fact that the Conference followed three earlier conferences at which substantial progress with the reduction of tariffs had been made and this at a time when, with progressive removal of quantitative restrictions the tariff was emerging as a more real factor on countries' economic structures as they existed. Also there was the fact, unhappy as it might be, that some countries had special problems in the agricultural sector; the fact that some of these countries were using, and were likely for some time to continue using, quantitative restrictions to help deal with these problems was a factor with wide reaching repercussions. Finally, there was the fact that France had decided to negotiate only with the United States. This must inevitably have meant that countries hesitated to make offers which would have given France substantial indirect benefits without prospect of compensation. Even so, it appeared that France's indirect benefits from these negotiations would prove substantial. He estimated the indirect benefits to France from the United Kingdom concessions at this Conference at about $15 million. This was a substantial figure, and a point to which it would be necessary to refer if and when further negotiations took place in which France was participating.

Having avoided at the outset the extremes of pessimism or optimism, Mr. Sanders said that he saw no ground for disappointment with what had been achieved. Indeed, it could probably fairly be claimed that the negotiations had been more successful than might have been anticipated.

Viewing the outcome as a whole so far as this was at this stage possible, it seemed to him that while the extent of tariff reductions was in general modest, and while there was in some instances difficulty in evaluating the significance of bindings at rates above actually applied rates, it would be quite wrong to underrate the benefits directly and indirectly following from the negotiations, as measured by the trade coverage of the concessions the various pairs of negotiating countries had judged it mutually advantageous to exchange.

If the important negotiations still taking place with the Scandinavian countries were satisfactorily concluded, the total United Kingdom contribution would be represented by reductions in actually applied rates of duty on products of which imports in 1954 from all foreign countries totalled about £100 million. In addition, they would be binding duties on a further £25 million.

The United Kingdom had not been able to make offers on all the items which were the subject of requests by others. Equally they had not been able to get offers on all the items which had been the subject of requests by the United Kingdom. This reflected the fact that all countries had some industries on which they could not at this time see their way to reduce tariffs. But he could not accept the view that concessions had been exchanged only where tariff reductions did not hurt. To take one instance only, the United Kingdom
has, at this Conference, been offering significant reductions on a wide range of papers, a sector which, because of its sensitivity, had had to be excluded from the successive past negotiations. The main elements in the United Kingdom negotiations had been firstly those with the United States and then those with Germany. While they would have liked to see offers by the United States on a number of items referred to the Tariff Commission on which offers were not made, they had been able to take up, on a mutually advantageous basis, all the offers by the United States available to them and the agreement reached included a settlement of the compensation due in respect of the United States action on bicycles. The starting point in the negotiations with Germany had been difficult, since the coverage of the original United Kingdom requests on Germany had been much smaller than the coverage of the trade on which the United Kingdom had been able to make offers to Germany. It was satisfactory that, thanks to the full co-operation of the German delegation and in particular the efforts of Mr. Klein, it had been possible to build up rather than shave down, and in this event a mutually satisfactory agreement had been reached on a basis which involved not merely the maintenance of virtually all the original United Kingdom offers but also some widening of their scope. With Italy, as the Italian representative had said, agreement of only limited scope had been possible. He hoped that the negotiations still taking place with Benelux would be satisfactorily concluded in the very near future. He personally regretted the absence of an agreement with Denmark. The United Kingdom had made it clear at the outset that they were unlikely to be able to make offers outside the range of Denmark's specialized industrial exports. They had made some offers which they believed should be of interest to Danish exporters in this field; but the Danish Government had decided that they could not proceed with the negotiation of an agreement on this limited basis.

The discussion had revealed some sharp divergences of view as to the scope that might remain for progress by bilateral negotiations on the basis of reciprocity and selectivity of the kind that had just taken place. Mr. Sanders said that he personally would be hesitant to deduce from the relatively modest results of the present Conference and the problems that had arisen between certain countries that the possibilities of negotiations of this kind had been exhausted. He thought that to take this view might be to blame the negotiating procedures for difficulties arising from economic and political facts. The success of further negotiations on the basis of rules of the kind adopted at the present Conference, would of course depend crucially upon the nature of the future powers possessed by the United States Administration and the flexibility the United States Administration might enjoy in the use of such powers. He wondered whether the procedures the United States Administration had at present to follow did not limit somewhat their opportunities for the negotiation of mutually advantageous concessions; and he hoped that, in the use of the powers they might possess on a future occasion, it would be possible for them to envisage more concessions on products on which their tariffs were still relatively high and where reductions should open up the possibilities of increased trade.
Mr. DÔMÉ (France) said that it was not his intention to examine the results of the Conference. It could not be denied that the decision of France only to negotiate with the United States had reduced the scope of the negotiations, but in view of the specialized nature of French exports it was not likely it had gained much by way of indirect benefits from countries whose participation had been wider. On the other hand he wished to recall France's efforts at previous conferences: France had, in fact, consolidated duties on 85 per cent of its foreign trade, and he doubted whether other countries which had criticized France's attitude could show a similar record.

The French compensation tax had delayed the bilateral talks with the United States and reduced the scope of the negotiations. A satisfactory agreement had nonetheless been reached thanks to the efforts of the United States delegation. But despite the efforts of the French delegation, the United States had had to withdraw certain offers. These withdrawals could not have injured other countries as they involved such typical French exports as wines, perfumes, champagne and cheeses, but they were regrettable because some time would elapse before France could obtain concessions on these products. Agreement had also been reached with Austria in the framework of the negotiations of the ECSC.

He recalled the views of his Government on the negotiation technique based on balanced reciprocal concessions. His Government had actually made proposals. The automatic plan for reduction of tariffs had been considered feasible. There certainly were technical difficulties involved in the application of the plan, but they could be solved. He hoped that the reasons which had limited French participation in this Conference would have disappeared by the time another tariff conference was convened. France would then insist on the use of new rules.

Mr. HÄNNÖNEN (Finland) said that it was difficult for him to make a statement because a set of very important negotiations in which Finland was interested was still taking place. He considered the agreements concluded with the United States and Norway as satisfactory and hoped that they would indirectly benefit the other participants. Although Finland had originally intended to take part in eleven negotiations, in fact, on account of various reasons, only seven had been successfully completed. Many countries had exhausted at previous conferences their possibilities for tariff reductions and Finland had also found it difficult to grant new concessions.

Mr. BLACK (Australia) stated that the results of this Conference for his country had been much as they foresaw before the start. It had been realized that the scope for the participation of Australia in the negotiations would be limited. The range of Australian exports was rather narrower than that of most of the participating countries, and in this small range of exports the Australian supplier status was often not sufficiently important to justify requests to other countries. In a number of cases where Australia had an important supplier status it was found that other contracting parties could not negotiate for one reason or another. The Australian export trade was predominantly agricultural in character, and it was found by his delegation,
as by others, that offers in the agricultural field were very difficult to obtain. While this was disappointing, he did not know whether he would draw exactly the same conclusions from this as some other delegations had. It had to be remembered that tariffs were only one form of protective device and not necessarily the most important one. Tariff reduction could not be of great importance for Australia as long as agricultural protectionism relied so heavily on trade barriers other than tariffs. His Government would naturally be influenced by this fact in the consideration of any plan which might be put forward for future discussions.

The CHAIRMAN, summing up the discussion, said that all countries had come to the Conference with rather modest expectations. Several limiting factors, which had been present from the beginning of the Conference, such as the partial participation of some countries and the limited negotiating authority of others, had been stressed by a number of delegations. The point was also made that it was probably too early for a full evaluation of the results. Most delegations had, however, made some estimate of the gains they had made. The representative of the United States had referred to the difficulty of measuring the value of concessions and to the strong subjective element involved in any such evaluation. It was, however, clear that some could show substantial positive results from their participation, while others found themselves dissatisfied. Several members of the committee had particularly stressed the lack of offers in the agricultural sector.

The methods of negotiation had often been referred to. The importance of multilateral procedures had been stressed by several representatives. A tentative approach to such procedures had been made and, if successful, would provide a basis for future development. Some members of the committee were still satisfied with the present negotiation methods, and pointed to the results obtained to show their usefulness. Others had stressed the necessity for finding new methods for future tariff negotiations. It had been said that the present negotiation methods did not make possible a serious attack on what might be termed the "hard core" of tariff protection. Some delegations had made it clear that they would not be prepared to take part in further tariff negotiations unless new negotiating rules were adopted. In this connexion the GATT plan, or some such plan for the automatic reduction of tariffs, had been referred to. This was a point to which the attention of governments should be drawn. On the other hand, some members had expressed doubt as to the possibility of elaborating an automatic plan which would contain the elements of "reciprocity" and "selectivity" which they considered essential in tariff negotiations.

It was difficult to draw any general conclusions from the debate, but it seemed clear that the task of reducing tariffs was becoming increasingly difficult as the "hard core" was approached. It was also clear that only if there was the spirit and the will to proceed would there be a chance of effectively attaining that objective of the General Agreement, which was the substantial reduction of tariffs, whatever the methods employed.
Before adjourning, the Tariff Negotiations Committee decided that the Summary Record of the meeting would be classified "restricted" and not, as provided for in its rules of procedure, as "secret". A draft with rather comprehensive records of the statements made would first be distributed as a secret document to representatives who had made statements. If any delegation had mentioned specific matters which should remain secret they should be pointed out to the secretariat. The definitive text of the records would then be issued in the TN.56/G/.. series.

2. Signature of Protocol

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3. Statistical coverage of the negotiations.

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