GENERAL AGREEMENT ON TARIFFS AND TRADE

Torquay Tariff Negotiations

TORQUAY CONFERENCE CONCLUDED: SIGNATURE OF THE FINAL ACT

General Review of the Conference

Governments participating in the Tariff Negotiations

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The signing of the Final Act at Torquay on April 21, 1951 marks the conclusion of the tariff negotiations which began on September 28, 1950.

The purpose of this release is to provide general guidance on the concluding stages of the Conference and the arrangements for giving effect to its results. The ceremonies of a civic character at Torquay on April 21 will be described in a separate release.

General Review of the Conference

The Torquay Conference has been the third of a series of international tariff conferences which have been held since the end of the Second World War. The first was held at Geneva in 1947, when 23 countries entered into tariff negotiations among themselves and drew up the General Agreement on Tariffs and Trade to put into effect the results of the negotiations and provide rules governing other aspects of their trade relations. The General Agreement - a multilateral trade agreement which comprises the schedules of tariff concessions and, inter alia, various provisions designed to protect the concessions against nullification or impairment - became operative in 1948. It was always intended that further countries which were prepared to enter into negotiations should be enabled to join the Agreement and so enjoy its benefits, and should have the opportunity of acceding to it through negotiating concessions in their own tariffs. Thus a second tariff conference on a smaller scale was held at Annecy, France in 1949, which resulted in the accession of a further group of countries to the Agreement. The proposal to hold a third tariff conference was made in the summer of 1949; invitations to attend were extended in November 1949 and the offer, by His Majesty's Government in the United Kingdom, of Torquay as the site was accepted in March 1950. The Torquay negotiations followed the same pattern as those held at Geneva and Annecy, except that in addition to negotiations between the contracting parties and acceding governments there were also further negotiations between contracting parties themselves for additional concessions.

The technique of multilateral tariff bargaining through the holding of simultaneous bilateral negotiations between pairs of countries followed by the generalization of the resulting concessions which was put into practice at Geneva and Annecy was continued at Torquay. It has again been demonstrated that despite some growing difficulties which are referred to below, this technique offers marked advantages over older methods of negotiating tariff reductions. A large number of negotiations has been completed and a substantial list of concessions has been achieved which will be applied over a very extensive area of world trade before the end of 1951.
The scope and complexity of the Torquay Conference was enhanced by the fact that the negotiations were also related to the renewal of the firm validity of the concessions exchanged at Geneva and Annecy. The reductions and bindings in the rates of tariff duties which were negotiated in 1947 and 1949 had an assured life only to January 1, 1951. Thereafter it was open for any contracting party to give notice under Article XXVIII of the General Agreement of its intention to withdraw or modify any of the concessions which it had made in its tariff. If the Geneva and Annecy concessions had remained liable to widespread modification or withdrawal, the stability of world tariff levels— one of the main benefits afforded by the Agreement— would have been imperilled. To avoid this danger it was decided that any re-negotiations of the 1947 and 1949 concessions which countries felt obliged to undertake should be carried out at Torquay and that the assured life of the resulting schedules of concessions should be extended for another three years. The legal instrument, namely the Declaration on the Continued Application of the Present Schedules and certain provisions of the Torquay Protocol, which will prolong the life of the Geneva and Annecy concessions, is described later in this release. This "rebinding" of the Geneva and Annecy concessions, added to the new concessions negotiated at Torquay, will give stability to tariff rates covering a very large part of world trade, until 1954. This element of stability ensures a set of tariff schedules for some 38 countries all of which will be bound against increase for three years and is in effect a new factor in the picture of world commerce which has been introduced through the operation of the GATT.

The Torquay Conference has also provided for the accession of new governments to the General Agreement. Through the signing of appropriate legal instruments—the Decisions on the accession of the acceding governments are described later in this release—a further group of countries will be enabled to adhere to the Agreement. Each of these countries will have agreed to reduce its tariff through negotiations with the contracting parties and with each other when a basis for such a negotiation existed. To a large extent their tariffs will be stabilized. When they have acceded the countries adhering to the General Agreement will comprise a group whose trade accounts for over 80 percent of world imports and over 85 percent of world exports.

Against the background of achievement—the significant reductions and bindings of tariff duties resulting from the Torquay negotiations, the prolonging of the assured life of the whole body of tariff concessions for a further three years and the expected accession of a group of important countries—some reference to the difficulties which have been encountered may be permitted. In the first place many of the countries had to a large extent used up their bargaining power in 1947 and 1949 and were not in a position at Torquay to reduce their tariffs much further.

In the second place, with the steady increase in the volume of trade which has been liberalized from quotas during 1950—particularly in Europe—tariffs are reverting to their traditional role as instruments for protection for domestic industries and agriculture. Generally speaking, the significance of tariffs as instruments of national economic policy is increasing and the difficulties encountered in lowering rates of duty are probably greater today than at any time since the end of the war.
Organization of the Negotiations

A Tariff Negotiations Committee (Chairman Mr. L.D. Wilgress, Canada) representing all the participating governments, was appointed as the managing body of the Conference. Day-to-day administrative coordination was undertaken by a smaller group, the Tariff Negotiations Working Party (Chairman Mr. H. van Blankenstein, Netherlands).

Governments participating in the Tariff Negotiations

The countries and territories which took part in the Torquay Tariff Conference as Contracting Parties to the General Agreement were:

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<thead>
<tr>
<th>Country</th>
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<tbody>
<tr>
<td>Australia</td>
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<td>Greece</td>
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Note: Four contracting parties did not undertake tariff negotiations at Torquay: Burma, Liberia, Nicaragua and Syria.

The Nationalist Government of the Republic of China notified its withdrawal from the General Agreement with effect from May 5, 1950; the Central Peoples Government of China has not yet defined its position with regard to the General Agreement.

The countries which negotiated at Torquay with a view to acceding to the Agreement were:

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<tr>
<th>Country</th>
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<tr>
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<td>Peru</td>
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Note: Uruguay also took part in the Annecy Conference but did not subsequently become a contracting party.

At the opening of the Tariff Negotiations the Delegation of Czechoslovakia stated by way of reservation to the action being taken by the Contracting Parties that the participation of Western Germany was not in accordance with the terms of the Potsdam Agreement under which Germany was to be treated as a single economic unit. They also denied that Western Germany had any legal capacity to become a contracting party. The Delegation of Czechoslovakia also
stated that they did not recognise the Government of South Korea.

**Legal Instruments open for Signature**

On April 21, 1951, which is the closing day of the Conference, four legal instruments will be opened for signature at Torquay.

1. **The Final Act** which authenticates the texts of the instruments described below.

2. **Decisions on the accession of the acceding governments.**

A separate Decision is provided in respect of each of the six governments which have expressed their wish to accede to the General Agreement. Under the terms of the GATT a majority of two-thirds of the Contracting Parties is needed to take a decision to admit each acceding country. The six Decisions will be opened for signature at Torquay and will later be deposited at the Headquarters of the United Nations and will be open there for further signatures. (The seventh of the acceding governments, namely Uruguay, negotiated initially at Annecy in 1949 and is expected to accede under the terms of the Annecy Protocol). The last day for signature of the Decisions will be June 20, 1951.

3. **The Torquay Protocol** to the General Agreement on Tariffs and Trade embodies the results of the tariff negotiations undertaken at Torquay and the terms on which the new governments will be able to accede. This will be open for signature by the participating governments and will later be deposited at the Headquarters of the United Nations and will be open there for further signatures. The results of the negotiations may be brought into force by the contracting parties and the acceding governments (as and when they become contracting parties) at various dates between May and November 1951, depending on the dates of their signatures or notifications regarding Article XXVIII negotiations. October 20 will be the last day for the signature of the Torquay Protocol.

4. **The Declaration on the Continued Application of the Present Schedules**, taken in conjunction with the relevant provisions of the Torquay Protocol, is the instrument through which the Contracting Parties will prolong the assured life of the Geneva and Annecy Schedules, as modified in accordance with such renegotiations as were undertaken at Torquay, until January 1, 1954.

It is expected that at Torquay all delegations will sign the Final Act and most will sign the Declaration.

**Announcement of the Results and Publications of the Schedules**

On May 9, 1951, the governments which took part in the Torquay Negotiations will be at liberty to announce the results of their negotiations.

On May 12, the Schedules of Tariff Concessions as a whole and the text of the Torquay Protocol will be published by the Secretariat at Geneva and will be placed on sale through United Nations Sales Agents.
List of negotiations completed between pairs of countries

a) Summary of negotiations completed by each country

The following list shows the number of negotiations completed by each country:

<table>
<thead>
<tr>
<th>Country</th>
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The total number of pairs of negotiations completed was 147.

b) Negotiations completed between pairs of contracting parties

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* Negotiation between the delegation of Belgium (for Belgian Congo) and the delegation of the Union of South Africa.
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* Negotiation between the delegation of Belgium (for Belgian Congo) and the delegation of the Union of S. Africa.
o) Negotiations completed between contracting parties and acceding countries

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<th>Country</th>
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- **Korea**
- **Peru**
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### d) Negotiations completed between acceding countries

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