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

Form of the Working Party's Report
(Proposals by the United Kingdom Delegation)

1. Discussion of commodities so far has shown that in each case it is necessary first to consider the effects of the Treaty within the Community and the Associated Overseas Territories as a basis for determining the effects on the trade of third countries.

2. The general pattern of the discussion on each commodity has been:

I. The New Tariff Régime
   A. Effects within the Community and Associated Overseas Territories
      (i) Effects on price levels in the Community and Associated Overseas Territories.
      (ii) Effects on demand in the Community.
      (iii) Effects on production in the Associated Overseas Territories.
   B. Effects on Trade of Third Countries
      (i) Effects of new tariff régime on trade patterns over short and long term.
      (ii) Influence of consumption changes in the Six on demand for third countries' products.
      (iii) Effects on world markets, taking due account of world supply and demand changes.

II. Non-Tariff Questions
    (i) Quantitative Restrictions.
    (ii) Agricultural provisions.
    (iii) Effects of (i) and (ii) within the Community and Associated Overseas Territories.
    (iv) Effects on trade of Third Parties.

III. Conclusion
    (i) Short-term.
    (ii) Long-term.
3. General arguments have been presented in respect of each of these points which have a bearing on most, if not all, the commodities considered. It would seem appropriate, therefore, to deal with the general arguments on these issues in a main report and then to confine the material in the individual commodity reports (which would be appendices to the main report) to the facts and arguments which relate solely to the particular commodity in question, referring back as necessary to the arguments in the main report. This would avoid the repetition of general arguments in each commodity report and would aid brevity and clarity.

4. The main report would also have to deal with a number of general issues, including the question of the overall effect of the Association of Overseas Territories on the trade of third countries, collecting together the evidence on individual commodities. All these issues presented in the main report would clearly have to deal with all the arguments presented pro and contra together, trying to reach an agreed conclusion on each point before going to the next. The main report should also contain a brief summary of its main conclusions.

5. Each commodity report should be constructed as follows:

(i) a presentation of the relevant facts from the Treaty of Rome (based on WP1/7);

(ii) the relevant information on the present pattern of world trade and published production forecasts in Associated Overseas Territories and elsewhere;

(iii) the issues enumerated in para. 2 above (for convenience in that order) insofar as they relate to the particular commodity.

6. A point for examination is whether in point (iii) of para. 5 above the views of the Six should be presented as an integrated whole and similarly the views of the non-Six producers presented as a unit or whether on each point views of Six and non-Six should be presented together. For the commodity reports (as opposed to the main report) there is much to be said for the former course.

As a minor suggestion the initials "A.O.T." might be used throughout the reports for "Associated Overseas Territories".