Note by the Chairman of the CONTRACTING PARTIES

1. Procedure

Committee I submitted its second and final report to the CONTRACTING PARTIES at the Tokyo session. In approving the report, the CONTRACTING PARTIES agreed that the Committee should continue in existence so that it could meet again if contracting parties so desired. In my opening statement I suggested that there might be some advantage if Committee I held a brief meeting to review the situation as it stands. On further reflection, it seems preferable to propose that any problems relating to the forthcoming tariff negotiations which may require consideration be entrusted to the Tariff Negotiations Committee.

The Rules and Procedures for the Tariff Conference approved at the Tokyo session, provide for a Tariff Negotiations Committee to be established by the CONTRACTING PARTIES with functions and terms of reference as set out in the same Rules and Procedures (BISD, Eighth Supplement, page 117, paragraphs (a) to (g)), and composed as follows:

(a) with respect to negotiations by the European Economic Community under Article XXIV:6, and with respect to negotiations under Article XXVII it shall be composed of "all interested parties within the terms of Article XXVIII:1";

(b) with respect to the general round of negotiations, and to negotiations for accession, it shall be composed of "all the governments which have submitted consolidated lists of offers".

I propose therefore that the Tariff Negotiations Committee be set up at this session and that the Committee be convened at any time to discuss matters that need to be settled, or clarified, or initially examined before the tariff conference convenes on 1 September 1960.

2. Polish Proposal to Negotiate at Tariff Conference

At the Tokyo session the CONTRACTING PARTIES discussed the submission of the Polish Government that the tariff conference "seems to offer the best opportunity for negotiating the multilateral concessions on the part of Poland and the contracting parties". It was agreed that contracting parties wishing to take advantage of Poland's offer to negotiate minimum import commitments against tariff concessions should consult directly with the Government of Poland and that the question should be included in the agenda of the sixteenth session. I suggest that the interested countries which are not prepared to do so at this session notify their desire to avail themselves of the Polish offer to the Tariff Negotiations Committee, which could then consider what basis they see for negotiations with Poland and report to the CONTRACTING PARTIES at the seventeenth session.
3. **Preparation of the Negotiations of the EEC under Article XXIV:6**

In view of the complex nature of these negotiations, Committee I indicated the way towards a simplification of the established procedures. The European Economic Community was asked to submit by 1 May 1960 a list of the items bound under GATT by its members and to indicate for each item whether the "internal" compensation equals, falls short, or exceeds the amount required. Committee I felt that such a list would facilitate negotiations and, among other things, would facilitate dealing with all cases in respect of which the affected contracting parties consider the Community's offers as being satisfactory (BISD, Eighth Supplement, page 112, paragraphs 1 and 2). The first five volumes of the list of bound items (chapters 1 to 49) have been received; the balance (up to chapter 99) is expected shortly. The Community's evaluation of the scope of the modifications which are to be made in each item has not yet been received. The preparation of these lists is a vast task and has incurred certain delays. This will naturally retard the submission of the lists of items which, in accordance with the rules, the other contracting parties may wish to submit to the Community indicating the items in which they are interested and, for the Community's guidance, the items on which they would wish to request compensation should any practical problems arising out of this situation be examined by the Tariff Negotiations Committee.

4. **Participation in the General Round**

Various delegations have expressed their concern at the lack of information on this point. They are faced with the task of having to prepare lists of requests by 1 August 1960 without knowing in many cases whether the government to which they will be addressed intends to participate. The Executive Secretary has circulated a questionnaire on this point to all contracting parties and the replies received up to now have been circulated in document L/1189. As can be seen, these provide little guidance and the Tariff Negotiations Committee might endeavour to obtain more information.

5. **Other Questions**

The Tariff Negotiations Committee will of course be available for the discussion of any technical matter falling within its terms of reference.

6. **Timing of the Examination of the EEC Common Tariff under Article XXIV:5(a)**

The question of the timing of the examination of the EEC Common Tariff under Article XXIV:5(a) is also dealt with by Committee I in its report to the CONTRACTING PARTIES. That Committee noted, on the one hand, the view "that the CONTRACTING PARTIES should have an opportunity to examine jointly the Common Tariff at the earliest practicable date" and, on the other hand, the view that "the exact nature of all rates of duty in the Common Tariff would not be known until after the negotiations under Article XXIV:6 had been completed" and the final collective judgment could not therefore be passed before then. Committee I accordingly recommended "that the contracting parties which so wish be given an opportunity to discuss the extent to which the criteria of paragraph 5(a) are met by the draft Common Tariff at the time of the sixteenth session. The
Committee considered that the CONTRACTING PARTIES may by then be in the best position to decide by which body and in what way a joint examination should be carried out.

Apart from statements which may be made in plenary session, it is suggested that the examination of the Common Tariff under Article XXIV:5(a) be carried out at a later stage. Meanwhile it is suggested that delegations wishing to ask for further clarification of the additional information which will have been made available by the EEC Commission as to how the Common Tariff has been established and how the criteria of Article XXIV will be met may ask the Executive Secretary to convene an informal meeting at the beginning of the Tariff Conference in September 1960.