CONCLUSION OF THE TARIFF CONFERENCE

The 1960-61 GATT Tariff Conference was brought to a conclusion today, 16 July, with the signing in Geneva, by representatives of governments which participated in the tariff negotiations, of the Final Act Authenticating the Results of the 1960-61 Tariff Conference. The Protocol embodying the concessions granted during the course of the Conference was also opened for signature today and will be made public on 13 August.

Origins of the Tariff Conference

The GATT had held four tariff conferences before the one which has just been concluded - at Geneva in 1947, at Annecy, France, in 1949, at Torquay, England, in 1950-51 and at Geneva in 1956.

The decision to hold the 1960-61 conference was taken in May 1959, following a proposal of the United States that such a conference should be held. This further attack on tariff barriers was to constitute one of the elements in the GATT Programme for Expansion of Trade which had been inaugurated in November 1958. The other two elements of the Programme were concerned with trade in agricultural products and the expansion of the exports of less-developed countries.

Survey of the Conference

There were three separate elements in the 1960-61 conference, first, renegotiations with the EEC, secondly, the "Dillon", or general round of negotiations and, thirdly, negotiations in accordance with the relevant provisions of the General Agreement with countries wishing to accede to the GATT.

(1) **Renegotiations with the EEC**

The obligation on member States of the EEC under the Treaty of Rome gradually to align their national tariffs on the common tariff of the Community has involved changes in tariff rates which had been "bound" by individual Member States in earlier GATT tariff conferences. The first phase of the tariff conference was, therefore, taken up with renegotiations between GATT Member countries and the EEC, under Article XXIV:6 of the GATT. These renegotiations had the object of securing appropriate compensation for the GATT Member countries concerned to offset any increases on "bound" tariff rates. This phase of the conference, which began in September 1960, was virtually completed early in May 1961 and the way was then open for the "Dillon", or general round of negotiations to begin.
(ii) The "Dillon" round

The "Dillon" round of negotiations opened on 29 May 1961 and have reached their final conclusion with the signing of the Final Act today, 16 July.

The following countries, which include those whose negotiations were aimed at accession to the GATT, took part in the Dillon round:

Austria
Cambodia
Canada
Chile
Czechoslovakia
Denmark
European Economic Community
Finland
Haiti
India
Israel
Japan
New Zealand
Nigeria
Norway
Pakistan
Peru
Portugal
Spain
Sweden
Switzerland
United Kingdom
United States

The total number of concessions negotiated in the tariff conference as a whole was approximately 4,400. The value of trade covered by the concessions negotiated in the "Dillon" round is estimated at about $5,350 millions.

The United Kingdom and the United States recently made public the results of their bilateral negotiations, including their negotiations with the European Economic Community.

There were some negotiations, both in the Dillon round and under Article XXIV:6, which could not be completed in time for inclusion in the "general" Protocol. The results of these negotiations will be embodied in a supplementary protocol.

The "commodity by commodity" technique was the one generally used during the tariff conference. However, an important element was the offer of the EEC to reduce the common tariff of the Community by 20 per cent if the Community's trade partners were prepared similarly to reduce their own tariffs. While efforts were made to match this offer to the greatest extent possible, the full 20 per cent reduction could not be achieved on a number of items.
It is evident that the results of the conference are of considerable importance and that they will make a significant contribution to the expansion of world trade. On the other hand it is true to say that, for various reasons, the results have possibly not been as substantial as some countries might have hoped for. In this connexion the need, in the present conditions of world trade, for possible new techniques for tariff negotiations is widely recognized and, as is mentioned below, the GATT is already giving close attention to this question.

(iii) Negotiations for accession to GATT

Four countries, Israel, Portugal, Cambodia and Spain participated in the tariff conference with a view to full accession to the GATT. Negotiations with the first three countries were successfully completed. Portugal acceded in May 1962 and Israel in July. Cambodia's accession is expected to follow before the end of the year. Negotiations with Spain are continuing.

Future efforts at the reduction of tariffs

Serious attention is already being given by the GATT to the steps that are necessary to secure a further reduction in tariffs in the future. At a meeting of Ministers in November 1961 attended by Ministers and ministerial representatives from forty-four countries, it was agreed that the reduction of tariff barriers on a most-favoured-nation basis in accordance with the GATT should be continued. It was recognized however, that, while the traditional GATT techniques for tariff negotiations on a commodity-by-commodity and country-by-country basis had produced substantial results they were no longer adequate to meet the changing conditions of world trade. The Ministers agreed that consideration should be given to the adoption of new techniques, in particular some form of linear tariff reduction. Since the Ministers' meeting, a special Working Party has been set up to examine this question and will hold its first meeting in September.
Special account is being taken of the situation of the less-developed countries in regard to tariff negotiations. The Ministers agreed that, in view of the stage of economic development of these countries, a more flexible attitude should be taken with respect to the degree of reciprocity to be expected from them.

At the ministerial meeting Ministers of agricultural producing countries stressed that there could not be meaningful participation by their countries in tariff negotiations in view of the fact that non-tariff devices were the main obstacles to exports of agricultural products. In order to deal with this situation special procedures were established at the ministerial meeting aimed at securing increased access to markets for agricultural products.