Add new paragraph 3:

3. It was suggested that differences in tariff levels on particular products might present a problem of reciprocity. For example, where the tariff of one or more participating countries contains very high rates of duty and where the level of tariff protection would remain high even after a 50 per cent reduction. In this connexion it was suggested that the relevant consideration was the volume of trade in the product concerned. If this was high despite the level of the tariff the benefit of a reduction could be very considerable and the reduction of a high tariff might well prove more valuable than the reduction of a low one. In any case this was a matter which could be resolved in the course of the negotiations.

Add new paragraph 4:

4. The question was raised as to whether a linear approach could offer reciprocity to countries the general incidence of whose tariff was substantially lower than that of other countries. The Working Party reserved this question for examination at a later meeting if this should prove necessary. The feeling was expressed that this was an aspect of the general problem of reciprocity and that a solution could be worked out in the course of the negotiations.

Add new paragraph 5:

5. Some members of the Working Party indicated that, in view of their economic structure and the limited range of their export products, it was apparent in advance that, even if they were to make the most favourable assumptions on the outcome of the negotiations, sufficient compensation would not be provided for a 50 per cent cut in their tariffs. They, therefore, felt that it would be appropriate to express their initial offer in terms which, in their view, would amount to a fair reciprocation of the linear offer to be made by other countries.
Insert the following under the heading "Less-Developed Countries":

"It was suggested that, while reciprocity would not be required for the advantages which would be held out to them in the linear offers of the developed countries, less-developed countries should participate in the negotiations and made some contribution. The less-developed countries represented on the Working Party expressed the hope that their main export products would not be contained in the exceptions lists of participating countries. It was the present view of these countries that for a variety of reasons, inter alia the need to give protection to infant industries and to maintain duties for revenue purposes, they were not in a position to make a contribution by way of a reduction of tariffs. Insofar as these negotiations afforded the less-developed countries better export possibilities, this improvement would be reflected in increased imports. It was in this direction that the corresponding advantages for the developed countries would be found."

Insert the following under the heading "Principal Supplier Rule":

"If the expectation of a broad participation in the negotiations were fulfilled the question of the principal supplier rule would presumably be a marginal one. If, however, in the case of a particular product, the principal supplier to a particular country were not taking part there might be some difficulty in including that product in the linear offer. If, on the other hand, one of the participating countries was an important secondary supplier it might not be the proper answer to exclude that product altogether. The general feeling was that this kind of situation would have to be worked out during the course of the negotiations and that rigid rules were not required."

Delete the heading "Multilateral Balance".

Delete the existing text under the heading "Procedural and Administrative Arrangements" and insert the following:
"It was agreed that in its report to Ministers the Working Party would indicate the type of machinery necessary for the conduct of the negotiations."

Delete the existing text under the heading "Next Meeting of the Working Party" and insert the following:

"The Working Party agreed to hold a further meeting beginning on 22 April. It should be the aim of this meeting to finalize a report for submission to Ministers. If this should prove impracticable it would be necessary to envisage a third meeting although this would present practical difficulties in view of the short interval remaining before the ministerial meeting on 16 May."