TRADE NEGOTIATIONS COMMITTEE

Draft for Certain Conclusions to be Incorporated
in the Report of the Trade Negotiations Committee

The depth of the tariff reductions and the rules for exceptions

1. The depth of the linear tariff reduction should be 50 per cent.

2. There should be a bare minimum of exceptions, necessitated by reasons of
   overriding national interest, and these should be subject to confrontation and
   justification.

3. Exceptions lists should be tabled on 1 September 1964.

4. Lists should be subject first to a process of confrontation, which
   should begin on 1 October 1964 and should be conducted by the Trade Negotiations
   Committee. It should take the form of the justification of the exceptions in
   the light of general criteria, amplifying the criterion in 2 above, to be adopted
   by the Committee.

5. When the process of confrontation in regard to each list of exceptions has
   been completed, arrangements should be made, if necessary, for the second stage,
   that of consultations. The procedure for such consultations should be
   established in the light of the circumstances; it could include the setting up
   of panels dealing with particular branches or sectors of industry.

6. As regards the base date and the level of duties by reference to which
   the 50 per cent reduction would be calculated, it would be left to each
   participating country to propose the basis on which the across-the-board tariff
   reduction should apply in its case, it being understood that this basis would
have to be acceptable to the other participating countries and that in all cases the duties used for reference purposes should be those existing after the Dillon Round of tariff negotiations and should reflect the results of those negotiations.

7. Participating countries should indicate by 1 June 1964 the basis on which, in accordance with the principles set out in 6, they propose that the across-the-board tariff reduction should apply in their case.

The criterion for determining significant disparities in tariff levels and the special rules applicable for tariff reductions in these cases

8. /Pro memoria/

The problem of countries with a very low average level of tariffs

9. /Pro memoria/

The problem for countries with a special economic or trade structure such that equal linear tariff reduction may not provide an adequate balance of advantages

10. The Governments of Australia, Austria, Canada, Greece, New Zealand and South Africa should be recognized as falling within the description of countries having "a special economic or trade structure such that equal linear tariff reductions may not provide an adequate balance of advantages".

11. The Trade Negotiations Committee should consider the basis on which these countries will participate in the negotiations. The lists of offers of these countries should be tabled on 1 September 1964, simultaneously with the tabling of the exceptions lists.