Substitute the following for page 7 of Spec(71)5:

The Committee discussed, in October and November 1970 and again in February 1971, the question of the terms of reference for a policy-oriented working party based on a proposal made by the EEC. In addition, the United States made a proposal for an enlarged tariff study, of which one of the most important elements was the assessment of the trade effects of tariff reductions.

After having discussed the terms of reference at its meeting of 2 and 3 December 1970, the Council agreed that the establishment of such terms of reference was a matter to be settled by the Committee on Trade in Industrial Products.

At the meeting of the Council on 2 and 3 December the question was raised, whether the documentation collected for the Tariff Study could be given a wider distribution; it was pointed out that the documentation could be of great use to other intergovernmental organizations and to scholars in the economic field.

The Committee decided at its meeting on 3 and 4 February that the three volumes containing the summary tables could be made available, on request, to international organizations and, against payment, to bona fide economists who could show that they had genuine interest in the field covered by the tabulations. With regard to the magnetic tape made available by the governments participating in the Tariff Study, it was pointed out that this tape was the property of these governments. Some of them indicated that they had no objections against their material being transmitted to interested organizations and persons. Other governments pointed out that they could not generally agree to a wider dissemination of the material submitted by them. Some of them were, however, prepared to examine on a case-by-case basis requests for access to their material.
III. Future Work

In the next stage of work on non-tariff barriers, which should now begin, the Committee considers that the most fruitful results will be obtained by selecting a very few topics for further work directed towards the development of concrete action. The topics which appear to the Committee to offer the best prospects of success in this connexion are standards and their enforcement and the problems associated with valuation for customs purposes. Further work would also be desirable at this time within the area of problems, including licensing systems, explored by Group 4 (Specific limitations on trade). There should also be continuous exploration of the possibilities for adding other topics to this work programme.

The objective of work on standards, valuation and specific limitations on trade at this stage would be intensive use of qualified policy officials and experts in order to complete, when necessary, existing documentation and to elaborate definitive solutions on an ad referendum basis. Although the aim should be to produce so far as possible a self-contained balanced arrangement in each case, the undertaking of other obligations by trade partners would not be excluded; no specific type of solution to any particular problem should be excluded from consideration. In the case of standards, work would be facilitated by a survey by the secretariat concerning work of other organizations in the field of standards, as envisaged in the report of Group 3.

The drafting group on standards in each case will be composed of those members of the present Working Group who wish to participate.

A report should be made by each group to the Industrial Committee as soon as possible.
III. Future Work

At its meeting on 3 and 4 February the Committee agreed to set up a Working Party on the Tariff Study with the following terms of reference:

"On the basis of documentation that has been prepared and such other material as may be found useful, the Working Party should carry out an objective analysis of the tariff situation as it will exist when all Kennedy Round concessions have been fully implemented, with a view to providing the Committee on Trade in Industrial Products with the necessary elements for carrying out its terms of reference in the tariff field. This analysis, incorporating trade flows, will provide an objective basis for the contracting parties, at the appropriate time, to explore various possible approaches to future action in the tariff field and would include, inter alia, an examination of the variations in tariff rates as between and within categories and as between countries, and of the differentials in duties according to the degree of processing. The report of the Working Party will present the results of the various parts of the analysis, but should not make recommendations as to possible action.

"The Working Party should submit to the Committee, as soon as possible, a preliminary report on the basis of the present documentation. A final report incorporating additional trade and tariff data will follow.

"The Working Party will also examine the feasibility of analysing and developing better measures of the effects on trade of tariffs and tariff changes and should report, as soon as possible, the results of its examination to the Committee on Trade in Industrial Products."

The view was expressed that the Working Party should clarify certain ambiguous elements in the terms of reference.

It was agreed that the Working Party would be composed of trade policy representatives and experts from countries presently included in the analysis and countries to be included therein, as well as contracting parties which would be able and willing to participate actively in the study. Mr. H. Colliander (Sweden) was elected chairman of the Working Party.
In the light of the Working Group meetings and the discussions in the Committee, it was felt that the next stage of work on non-tariff barriers, which should now begin, should be on a more selective basis. Many suggestions were made and the Committee agreed that the most fruitful results would be obtained by selecting a very few topics for further work directed toward the development of concrete action. The topics which appear to the Committee the most appropriate in this connexion are standards and their enforcement and the problems associated with existing systems of valuation for customs purposes. Further work would also be undertaken at this time within the area of problems explored by Group L (Specific limitations on trade). Initially the work will focus on the operation of licensing systems. There should also be continuous exploration of the possibilities for adding other topics to this work programme, taking into account the results of work in other GATT bodies.

The objective of the work at this stage would be to elaborate solutions on an ad referendum basis.

The group in each case will be composed of those members of the relevant existing Working Groups who wish to participate. The Committee considers that it would be most useful if officials with specialized knowledge participate.

Each group should complete its work as soon as possible and report to the Industrial Committee.