1. The Working Party held its second meeting from 8 to 11 June 1971 under the chairmanship of Mr. Hans Colliander (Sweden).

2. The following member countries were represented:

   - Australia
   - Austria
   - Canada
   - Denmark
   - European Communities and member States
   - Israel
   - Japan
   - Norway
   - Sweden
   - Switzerland
   - United Kingdom
   - United States

3. The discussion primarily focussed on three major items: (i) the sample analyses of the tariff situation in two product categories that had been prepared by the secretariat; (ii) additional tabulations supplementary to the basic documentation and (iii) a questionnaire relating to the availability of material relevant to the feasibility study. In addition, there were several miscellaneous matters discussed.

4. The Working Party examined the tariff situation analyses on the wood and cork (Spec(71)33) and rubber (Spec(71)34) product categories and a United States proposal for the reorganization of these texts (Spec(71)51). It was agreed that the secretariat would prepare similar analyses of all twenty-three product categories roughly along the outline in Spec(71)51 taking into account the comments made by other delegations. It was recognized that the secretariat would have sufficient flexibility to alter this outline to suit the different structure of individual product categories.

5. It was also agreed that in addition to the papers on the product categories the secretariat would prepare an overall analysis of the tariff and trade situation for industrial products as a whole. This analysis, following the outline proposed by the United States as revised in Spec(71)50/Rev.1, would summarize the findings in the twenty-three product category papers in addition to making use of information in the basic documentation that was only applicable to an overall analysis of this kind. The overall report would be circulated at least three weeks before the next meeting of the Working Party.

6. Tables A to H, the supplementary tabulations, which had been approved in principle at the March meeting, were accepted with minor amendments involving primarily the addition of import data.
7. It was agreed that the present form of Table I should be retained but include only the twenty-three product categories and would be accompanied by a note pointing out that the table had not been constructed with a view to establishing a relationship between rankings of trade and tariff averages and that these rankings did not necessarily reflect degrees of protection. In addition, there would be a table which would present ranking of trade values on a sub-category basis. The rankings of tariff averages by sub-categories would be contained in a third table in order to facilitate an analysis of the effects of different averaging methods.

8. It was agreed not to include Table J in the present documentation. The United States delegation maintained its position that an examination of the relationship between trade and tariff levels along the lines of Table J was an appropriate and important part of the current stage of the analysis. The EEC was of the opinion that the relationship between tariffs and trade could not be studied on the basis of tariff averages and import volumes above. As, moreover, the tariff and the import data related to different periods such a table could easily suggest misleading conclusions. Other delegations shared the view of the EEC that such an analysis would constitute part of the feasibility study.

9. Table K was retained in its present form.

10. Corrigenda to the existing documentation was circulated during the meeting. Other countries would not be added to the Tariff Study until after this first phase had been completed.

11. It was agreed that the feasibility study questionnaire, which would determine the availability of basic data, studies, and research, completed or in process that relate to an analysis of the effects of tariff changes on trade flows, would be circulated in two parts. The first part would consist of a letter inviting governments to furnish information regarding the present availability of studies and research conducted by government agencies, non-governmental organizations or institutions, or academicians analyzing the effects of tariffs and tariff changes, or which would be relevant to such a study, including descriptions of the models or other analytical methods used. The availability of information from unpublished as well as published sources would be of interest. The letter would solicit information on the points covered in Part I of the United States proposal in Spec(71)41 and would be addressed to all members of the Committee on Trade in Industrial Products.

12. The second part of the questionnaire, requesting information of a statistical nature, would be based on the proposal by the EEC in Spec(71)55 rephrased in a manner that would solicit more descriptive responses. This part would be sent to those countries which had already furnished, or were in the process of furnishing, data for the Tariff Study.
13. There was some discussion of a technical nature over the problems involved in adjusting the figures provided by countries using f.o.b. values to a common c.i.f. basis. It was agreed that this matter would be returned to at the next meeting after experts in capitals had had the opportunity to study a paper prepared by the secretariat (INT(71)48).

14. Some delegations pointed out that attempts to make mechanical comparisons between numbers of tariff lines could lead to distortions. It was agreed that these problems involved in comparing the number of tariff lines between schedules should be analyzed in a note to be prepared by the secretariat.

15. It was also agreed to update the trade and tariff data to the year 1970. Most delegations indicated that they would be able to furnish such data within the near future.

16. It was agreed that the next meeting of the Working Party would be held in October so that the preliminary report could be made to the Committee on Trade in Industrial Products before the twenty-seventh session of the CONTRACTING PARTIES. An oral progress report would be made to the Committee at its next meeting in July.