GENERAL AGREEMENT ON
TARIFFS AND TRADE

1960-61 TARIFF CONFERENCE
Tariff Negotiations Committee

PROCEEDINGS OF THE TWELFTH MEETING IN ORDINARY SESSION

Held at the Palais des Nations, Geneva,
on Tuesday, 26 September 1961, at 10 a.m.

Chairman: Mr. E. Wyndham White

Subjects discussed:
1. Progress of the negotiations
2. The position of the less-developed countries in the negotiations
3. Final legal instruments - Appointment of drafting group
4. Next meeting of the Tariff Negotiations Committee

1. Progress of the negotiations

The Chairman recalled that at the last meeting of the Tariff Negotiations Committee it had been agreed that a determined effort should be made to bring the negotiations to as rapid a conclusion as possible and to fix 31 October as a firm target date for this. It had also been decided that the Tariff Negotiations Committee should be constituted only of those countries which had submitted consolidated offers lists; and that each member of the Tariff Negotiations Committee should receive copies of all consolidated offers lists which had been submitted. A list of countries which had submitted consolidated offers lists had been circulated in TN.60/W.23. Since the circulation of this document consolidated offers lists had been received from: New Zealand, Australia, India, and Portugal. These countries would therefore be members of the Tariff Negotiations Committee, as would individual members of the EEC and acceding countries. The Chairman said that there was some doubt as to whether all the consolidated offers lists submitted were in fact complete, especially when these contained offers to only one country. The Chairman then invited individual countries to comment on the status of the consolidated offers lists which they had submitted and to say whether these were final.

The representative of Canada recalled the statement which he had made at the last meeting and said that he recognized that his country would have to improve the offers which it had made. His delegation might revise their consolidated offers list in the course of the next month as authority was received from his Government to make additional offers.
The representative of Czechoslovakia said that his delegation was preparing a revised consolidated offers list which would contain offers to two further countries. No authorization for this had been received from Prague as Czechoslovakia had not yet received formal requests from these countries.

The representative of Denmark said that the list submitted by his delegation was comprehensive. Further offers might, however, be put forward as negotiations developed.

The representative of Finland said that his list was not final. He had nothing further to add to the statement made by the representative of Finland at the last meeting.

The representative of Israel said that since the circulation of his consolidated offers list his delegation had received requests from other countries with which negotiations had started. Supplementary bilateral offers lists would therefore be circulated.

The representative of Norway said that his delegation would submit additional offers shortly.

The representative of Sweden said that his country's offer was not to be considered as final. His delegation hoped to submit additional offers to: Australia, New Zealand, Canada, India, and possibly Pakistan and Nigeria.

The representative of Switzerland said that difficulties remained in the negotiations with the EEC both on the scope and on the method of negotiation. His delegation was also negotiating with the United States and during these negotiations changes to the offers which had been circulated might be made on both sides.

The representative of the United States said that he had nothing to add to the consolidated offers list already submitted, although some changes might be made as the negotiations proceeded. His delegation had not yet been able to start negotiations with about ten countries. He hoped that contact with these delegations could be established promptly.

The representative of New Zealand said that his offers list was final, subject only to changes during negotiations. A revision of the list was however to be circulated but there would be changes only in the form and not in the substance of the list.

The representative of Australia said that his delegation was still examining the possibility of negotiating with countries other than those to whom offers had been made in the consolidated offers list. He would indicate the response of those countries within about ten days.

The representative of India said that his consolidated offers list was not final. His delegation had perhaps fallen behind schedule but he recalled that originally a special time-table had been proposed for the less-developed countries. Some offers would be added to the list, i.e. to Australia, Denmark, Finland, Norway and Sweden.
The Chairman said that from the foregoing remarks it was clear that the Committee did not yet have a complete picture of the scope of the negotiations. With the approach of the date fixed for the conclusion of the main bulk of the negotiations this was not encouraging. He asked the principal trading countries, who largely determined the pace of the negotiations, to make a statement on the progress made since the last meeting of the Committee.

The representative of the EEC said that from the outset the Community had made the nature of their offer of a linear reduction very clear. The EEC had started negotiations with Austria, Canada, the United States, Finland, Israel, Pakistan, the United Kingdom, Sweden, and Switzerland. In addition informal contacts had been made with other countries and some clarification of the EEC's position had been provided. Offers lists had also been received from Australia and India. Some other countries had approached his delegation and it might be possible to bring these countries into the negotiations. The general picture of the negotiations was however not a pleasing one. The offers of a large number of countries were unequal to the EEC's offer of a linear reduction, and no improvement had been made in the offers of these countries. With little less than a month to go he wanted to do everything in his power to conclude negotiations with the major countries. The Community should not be made to change its method of negotiation. He recalled that there were no protests on this method at the start and this presupposed that help would be given by other countries. He said that an effort must be made especially by the industrialized countries in Europe. While there was a good basis for negotiation with some countries, the gap was enormous with many countries. His delegation had made repeated evaluations of its own offers and the offers of other countries. These showed that the requests which his delegation had received from these countries were much greater than the offers that they had made. Other calculations, for which not all the necessary figures were yet available, were also being undertaken. Having heard the statements that had just been made, there was some hope that some countries would improve their offers. If the deadline were to be met, improved offers could have to be received within about ten days. If however no substantial improvement occurred within a short while the EEC would have to readjust its offers so that an agreement could be reached which was based on reciprocity and mutual advantage. He said that he would like to end on an optimistic note and hoped that other countries would appreciate the difficulties of his delegation and that the position would look better in a fortnight's time.

In reply to a question by the Chairman, the representative of the EEC said that the United Kingdom was practically the only country to make an offer of a linear reduction in reply to the EEC's offer. While many points had still to be settled there was no wide gap in the negotiations with this country. There was a good basis for discussion with the United States but some problems of a specific nature were still outstanding. He wished to point out that his remarks had not been addressed to the less-developed countries.

Referring to the statement of the representative of the Community, the representative of Canada pointed out that some countries were still faced with difficulties in negotiations under Article XIV:6, particularly on agricultural products. As for the "Dillon round", the EEC had not
offered Canada reductions equivalent to the requests which they had made. He would prefer not to report to his Government threats to withdraw offers in ten days' time.

The representative of the United States said that, although already-initiated negotiations had been accelerated, no new ones had been started since the last Tariff Negotiations Committee meeting. He urged that those countries for which the United States had proposed offers but which had not started negotiations inform the United States delegation of their intentions as soon as possible. His delegation had the firm intention to do everything in their power to meet the target date but the position of the negotiations was not uniquely in their hands. He was firmly of the opinion that the deadline could be met.

The representative of the United Kingdom said that he had little to add to the statement made in the last meeting of the Tariff Negotiations Committee. As the representative of the EEC and the United States had said, negotiations with those countries were continuing. He was confident that a balanced agreement could be reached and, while certain important points were still outstanding, there was no reason why the Conference could not break the back of this work within the next few weeks. He hoped greatly that all concerned would push on as fast as possible so that a substantive settlement could be reached by the end of October.

The representative of Switzerland said that the reference by the representative of the EEC to the smaller industrialized countries in Europe showed that some misunderstanding existed. The Swiss also felt that the offers made to them were not adequate. The EEC had not been willing to discuss specific problems of vital interest to Switzerland and he hoped that they would now be able to do so. Both parties would then be able to explain exactly why the offers which they had received were not considered satisfactory. In this way he hoped it would be possible to wind up the negotiations quickly.

The representative of Sweden said that the negotiations between his country and the EEC were still in a preliminary stage. It had not become clear that the EEC would not be able to provide trade statistics for 1959 in the near future and his delegation would continue to negotiate using the less suitable statistics for 1959.

The representative of Portugal said that the negotiations between his country and the United States and Canada were proceeding satisfactorily but problems existed in their negotiation with the EEC. Portugal had had bilateral agreements with individual member countries of the EEC and had thought that it might be better to discuss matters concerning these agreements with these countries individually. A mission had been sent to the capitals of these countries to present the Portuguese problems and, with the information which had been received, it would now be possible to assess the situation and to attack the problems multilaterally. His delegation would do everything in its power to meet the target date.

The Chairman said that it would clearly be profitable if there could be an acceleration of the negotiations with the smaller industrialized countries. He asked if the representative of the EEC would accept the point made by the representative of Switzerland that discussions should
be held on particular problems, especially where a country had a limited range of exports. It was not his aim to intervene in the negotiations but he thought that this problem should be examined at an early date. Referring to the problem raised by the representative of Portugal he said that an analogy could be drawn with the negotiations held under Article LIV:6 but said that there were no rules for guidance on this matter. He would be prepared to give advice insofar as the delegates would find it helpful.

2. The position of the less-developed countries in the negotiations

The Chairman pointed out that few less-developed countries were represented at the Tariff Negotiations Committee as it was then constituted. Before the Tariff Conference opened they had all hoped that the negotiations would bring results of interest to the less-developed countries. It was realized that these countries could make few offers but the EEC had indicated that it would not demand strict reciprocity. Perhaps the same attitude would be taken by other industrialized countries. The work of Committee III had shown that the position of the less-developed countries was a matter of common concern and this had been pointedly underlined by the recent meeting of the International Monetary Fund. Trade as well as aid was necessary for these countries and the Committee would be failing in its duty if the negotiations did not tackle this problem. It had been suggested that the less-developed countries should enter the negotiations when these were well advanced, not because their position was a matter of secondary importance, but because they might find it difficult to maintain delegations at the Conference over a long period of time. The less-developed countries themselves should make requests so that the industrialized countries could know in which areas they could make a contribution to enlarging the exports of less-developed countries, but should not feel embarrassed by the possibility that payment might be asked for the concessions demanded. He asked whether the less-developed countries had got into touch with the EEC since the previous meeting of the Committee.

The representative of the EEC said that some talks had been held but that meetings had not been possible with all the less-developed countries. This was an important problem but a difficult one. For the time being the best method would be to have bilateral talks as each of the less-developed countries had individual difficulties. His delegation was studying detailed problems and he believed that a generalized discussion would not be useful at that stage.

The Chairman agreed with this suggestion but said that the importance of the problem should not be overlooked. He suggested that the less-developed countries should not be put off by the usual procedures adopted in the tariff negotiations held under the aegis of the GATT and that this problem should be considered separately at the next meeting of the Committee.

3. Final legal instruments - Appointment of drafting group

The Chairman proposed that the Committee should proceed to constitute a legal drafting group. At the previous meeting he had invited countries to contribute legal specialists for this purpose and Canada, EEC, Israel, Nigeria, the United Kingdom and the United States had signified their intention to take part. He asked whether other countries were able to make similar offers.
The representative of Portugal said that his country would also be prepared to participate in this work.

The Committee agreed that the Working Party should hold its first meeting on about 9 October.

The representative of Sweden asked whether the results of the Article XXIV negotiations could be published before the final legal instruments embodying the results of the Tariff Conference, as there was some pressure for this in his country.

The Chairman said that this question could be decided by individual governments. The sealing of the negotiations under Article XXIV had been left until the end of the general round of tariff negotiations and it would follow that the results would therefore be secret until the end of the negotiations. There was however a problem if there was pressure inside individual countries for publication. If agreement could be reached between the EEC and individual countries it seemed that there was then no obstacle to the publication of these purely bilateral agreements.

The representative of the U.S. said that there would be no objection on his part to publishing the results of their negotiations with Sweden under Article XXIV.

The representative of the United States said that if the results of negotiations under Article XXIV were published by some countries, then other contracting parties who had not concluded their negotiations with the Six would be under pressure to sign an agreement. He proposed that the matter should be discussed at the next meeting of the Committee.

The representative of Sweden said that he had no objection to waiting until the next meeting for a decision on this matter.

4. Next meeting of the Tariff Negotiations Committee

It was decided that the Committee should meet on 5 October.\(^1\) At the suggestion of the representative of Canada it was decided to meet in Executive Session. Upon finishing its agenda the Committee could, if necessary, meet in "ordinary" session so that the less-developed countries could present the results of their bilateral talks with industrialized countries.

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\(^1\) The meeting has been postponed till 17 October.