

DRAFT INTERIM REPORT OF  
THE INTERSESSIONAL WORKING PARTY ON TARIFF REDUCTION

1. The Working Party met to consider the possibilities of future action directed to the reduction of the general level of tariffs in the light of the communication made by the United States representative to the Interseasonal Committee (IC/SR.19, page 2) to the effect that his Government wished that the contracting parties would give consideration to further tariff negotiations in the light of the new powers granted to the President of the United States and that in order to meet the time-limit prescribed by the United States legislation and practices the tariff negotiations should start early in 1956.

2. The Working Party considered unanimously that every effort should be made to carry out another round of multilateral negotiations and as broad a basis as possible. It was also agreed that these negotiations should be conducted in time to permit full participation by the United States Government under its new powers. Pursuant to Paragraph (c) of its terms of reference the Working Party therefore recommends that the CONTRACTING PARTIES convene a tariff conference to begin in January 1956. In order to make the necessary preparations for such a conference, the Working Party instructed the Executive Secretary to invite contracting parties wishing to take part in such a conference:

(a) to notify the Executive Secretary of their intention by 31 July 1955;

(b) to send by 15 August 1955 at the latest to the United States authorities a preliminary list of products on which they desire to obtain concessions from the United States. Fifty copies of that list should be sent to the Executive Secretary for distribution to the other participating governments;

(c) to transmit by 1 October 1955 a list of requests to all participating governments including the United States with which they desire to negotiate. Each list should be addressed to the country from which concessions are requested and 50 copies should be sent simultaneously to the Executive Secretary for circulation to the other participating governments;

(d) to send to the Executive Secretary two copies of the latest edition of their customs tariff as well as the necessary statistical data to facilitate the negotiations and to send similar information to any participating government which may request it.

3. As regards the procedures to be followed at the forthcoming tariff conference, the majority of the Working Party expressed their preference for the application of multilateral procedures along the lines of the GATT plan (Basic Instruments and Selected Documents, Second Supplement, page 75 onwards). As, however, the United States and the United Kingdom Governments were not in a position to proceed on that basis at the present time, the Working Party came to the conclusion that it was not practicable to consider the introduction of such procedures at the tariff conference to be held in 1956.

4. On the other hand the majority felt that to proceed in accordance with the rules followed in previous tariff negotiations would not result in a substantial contribution to the objectives set out in Article XXIX of the revised GATT, particularly as regards reduction of excessive rates of duty and the recognition of the equivalence of the binding of low rates to substantial reductions in high rates of duty. They recalled, moreover, that the discussions which had led to the formulation of the GATT Plan had been based upon a widespread recognition that the former rules were unlikely to lead to satisfactory results. The Working Party agreed that it would be desirable to consider to what extent and in what manner the negotiating rules should be amended in order to ensure the attainment of the objectives of Article XXIX of the revised GATT, and the understanding, however, that this examination should not delay the preparation for the tariff conference.

5. The Working Party set up a drafting group which prepared, as a basis for discussion, and without any commitment on the part of the members of the group, a note on procedures for tariff negotiations which is annexed to this report (Annex A).

6. Those members of the Working Party which favoured the use of the GATT plan as a basis for negotiations, considered that the suggestions of the drafting group did not in fact contain any substantial assurances that the basic objective of Article XXIX would be met. Those members which had considered the application of the GATT Plan impracticable at this time felt, however, that the draft procedures included many of the elements which had led them to the conclusion that the GATT Plan was not practicable as a basis for the present negotiations. In these circumstances the Working Party came to the conclusion that it would not be possible to proceed further on the basis of the drafting group's suggestion at the present meeting, but agreed to submit the draft, without in any way committing the members of the group, to governments for their consideration prior to further discussion at a later meeting of the Working Party.

7. Subsequently, the representative of the United Kingdom submitted for consideration of the Working Party the outline of a plan which he felt would go as far as practicable towards meeting the difficulties of the "low tariff countries" but would avoid the most serious disadvantages that his Government would find in the procedures in Annex A. The Statement of the United Kingdom representative outlining these alternative negotiating procedures is also annexed to this report (Annex B). The members of the Working Party who had felt that the procedures in Annex A were inadequate, considered that the United Kingdom proposal had even less to offer as a means of achieving the objectives of Article XXIX. Other members felt that this variation of the traditional procedures raised difficulties of a somewhat different character from those presented by the procedures in Annex A. However, as the British proposal was presented towards the end of the meeting of the Working Party and as there was little opportunity to study it in detail, it was agreed to submit this proposal also to governments and to examine it further at the next meeting of the Working Party.

8. The Working Party noted that there were three features common to both suggested procedures which appeared to enjoy the general support of the Working Party;

(a) that the negotiations should be based upon the principles of Article XXIX of the revised GATT;

(b) that each participating government should present a consolidated offers list;

(c) that the Tariff Negotiations Committee should have somewhat broader functions than in previous tariff negotiations.

It was pointed out, however, that it would be desirable, in view of the possibility of action under Article XXVIII and other relevant provisions of the General Agreement, that the consolidated offers list should also contain an indication of the contracting parties to whom the offers were made.

9. The Working Party also considered whether it would be appropriate to take advantage of the presence of negotiators from a number of contracting parties to enable governments wishing to accede to the General Agreement to conduct negotiations directed towards their accession at the time of the tariff conference, as was the case at the Torquay conference.

10. The Working Party noted that there would be no objection on the part of the governments whose representatives took part in the discussions to afford such an opportunity to prospective acceders. The Working Party instructed the Executive Secretary to ascertain from governments which have displayed an interest in the work of the CONTRACTING PARTIES and have shown a desire to accede to the GATT at some future date, whether they would be willing to initiate negotiations with a view to acceding to the General Agreement at the time of the forthcoming tariff conference. The Executive Secretary would report to the CONTRACTING PARTIES on the results of these informal consultations and, if necessary, secure authority from them for sending, on their behalf, formal invitations to the governments concerned.

11. The Working Party decided to reconvene on 15 September 1955 or on such earlier date as the Chairman might decide, in order to formulate recommendations;

(a) on the procedures to be followed at the tariff conference;

(b) as to the exact date for convening the conference;

(c) as to the site of the conference in the light of a report to be submitted by the Executive Secretary on the facilities afforded by Geneva and, if necessary, by other localities.