

RESTRICTED

16 September 1955

DRAFT PROCEDURES AND RULES FOR THE /GENEVA/ TARIFF CONFERENCE

COMMENCING ON /- 7 JANUARY 1956

1. The CONTRACTING PARTIES, recognizing that customs duties often constitute serious obstacles to trade, have decided to sponsor a tariff negotiations conference based on the principles of Article XXIX of the revised General Agreement and conducted with due regard to the objectives of the General Agreement.

I. Objectives of the Negotiations

2. The negotiations shall be directed towards the substantial reduction of the general level of tariffs and other charges on imports and, in particular, to the reduction of such high tariffs as discourage the importation even of minimum quantities, and shall aim at the exchange of reciprocal and mutually advantageous concessions.

3. The participating countries shall have a collective responsibility to assure substantial results with a fair and acceptable balance of concession and advantage as between each country and the others.

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(English only)

II.

Scope of the Negotiations

4. Participating countries may propose for negotiation those of their products of which they individually, or collectively, are, or are likely to be, the principal suppliers to the countries from which the concessions are asked. This rule shall not apply to prevent a country not a principal supplier from making a request, but the country concerned should be able to invoke the principal supplier rule if in any case the principal supplier of that product is not a member of the GATT or is standing aside from the negotiations.

5. In addition to customs tariffs and other charges on imports, certain regulations, quotas, protection afforded through the operation of import monopolies, etc., shall be subject to negotiation in the manner provided for at previous tariff conferences under the General Agreement. Accordingly, requests may be submitted for concessions in respect of these matters in the same way as requests for tariff concessions.

6. All participating governments shall, subject to any legal limitations or its negotiating possibilities, make a maximum contribution towards the achievement of the objectives of the Conference.

III. The Opening of the Conference

7. On the first day of the Conference each participating government shall submit its offers to each other government from which a request for concessions has been received. Lists of offers shall be prepared on the assumption that the request made to those same governments will be met in full. Each government shall also submit at the earliest practicable date at the beginning of the Conference a consolidated list of its offers with an indication for each item of the country or countries to which the concession is offered. Each country shall seek, through subsequent bilateral negotiations, to improve its consolidated list.

IV. The Tariff Negotiations Committee

8. With a view to facilitating the negotiations and ensuring the fullest possible multilateral effort to achieve their objectives, a Tariff Negotiations Committee, composed of all the participating governments, shall be established. The functions and terms of reference of the Committee shall be the following:

- a. The Committee shall exercise its good offices for the purpose of achieving the maximum practicable progress toward the objectives of the Conference.

- b. In exercising its good offices the Committee shall be at the disposal of any country or group of countries to arrange for additional negotiations on a group basis whenever it is felt that the resort to triangular or multilateral techniques would improve the scope of concessions where purely bilateral techniques prove inadequate.
- c. The Committee shall review the consolidated offers as soon as practicable after the opening of the negotiations, at any time deemed appropriate and useful during the Conference and again in the final phases of the negotiations; provided that the opening of negotiations bilaterally shall in no way be conditioned upon the conduct or completion of the review contemplated to take place shortly after the opening of the Conference.
- d. Upon the request of any negotiating country, the Committee shall consider any problems that such country may believe are impeding or unduly delaying the successful conclusion of negotiations.
- e. The Committee may give advice and make suggestions on any of the foregoing matters and in so doing shall be guided by the principles of Article XXIX.

9. Participating governments shall give full consideration to the advice and suggestions of the Committee. Each country retains, however, the right to determine for itself whether to accept such advice or recommendations and to decide on the basis of its own assessment whether to accept the results of the negotiations.

10. The Committee shall appoint a Tariff Negotiations Working Party, composed of the principal participants in the negotiations, which will be responsible for following the progress of the negotiations and will make recommendations on questions of procedure and other matters connected with the conduct and the conclusion of the negotiations.

V. Methods of Negotiation

11. The negotiations shall be conducted in accordance with the following rules:

- a. The negotiations shall be conducted on a selective product-by-product basis which will afford adequate opportunity to take into account the needs of individual countries and individual industries. Participating governments will be free not to grant concessions on particular products and, in the granting of a concession, they may reduce the duty, bind it at its then existing level, or undertake not to raise it above a specified higher level.
- b. No participating government shall be required to grant unilateral concessions, or to grant concessions to other governments without receiving adequate concessions in return. Account shall be taken of the value to any government of obtaining in its own right and by direct obligation the indirect concessions already embodied in the Schedules to the General Agreement.
- c. The binding against increase of low duties or of duty-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high duties or the elimination of tariff preferences.

d. In negotiations relating to any specific product with respect to which a preference applies,

- (i) when a reduction is negotiated only in the most-favoured-nation rate, such reduction shall operate automatically to reduce or eliminate the margin of preference applicable to that product;
- (ii) when a reduction is negotiated only in the preferential rate, the most-favoured-nation rate shall automatically be reduced to the extent of such reduction;
- (iii) when it is agreed that reductions will be negotiated in both the most-favoured-nation rate and the preferential rate, the reduction in each shall be that agreed by the parties to the negotiations; and
- (iv) no margin of preference shall be increased.

f. Participating governments shall take into consideration the indirect benefits which they will receive from the negotiations between other governments and shall make the maximum practicable progress toward the objectives of Article XXIX by making overall concessions commensurate with the overall concessions received.

12. The participating governments shall refrain from increases in tariffs and other protective measures inconsistent with the principles of the General Agreement and designed to improve their bargaining position in preparation for the negotiations. As a general rule, the basis for negotiations shall be the rates of duty in effect on 1 July 1955.

VI. Incorporation of the Results in the GATT

13. Before the close of the Conference each participating government shall prepare for distribution through the secretariat a consolidated list of the concessions granted and a supplementary list showing the country or countries with which each concession was negotiated.

14. The results of the Conference shall be incorporated in the General Agreement by means of a protocol to which will be annexed the schedules of concessions of the participating governments.

VII. Timetable for Preparations for the Conference

15.

Insert in page 4 after sub-paragraph d. the following:

- e. Prior international obligations shall not be invoked to frustrate negotiations with respect to preference, it being understood that agreements which result from such negotiations and which conflict with such obligations shall not require the modification or termination of such obligations except with the consent of the parties to such obligations or in the absence of such consent by modification or termination of such obligations in accordance with their terms.