

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED  
LIMITED B  
GATT/CP/103  
14 March 1951  
ORIGINAL: ENGLISH

CONTRACTING PARTIES  
Special Session

## Problem of the Disparity of European Tariffs

### Note by the Executive Secretary

The following letter and memorandum have been received from the undersigned delegates:

#### Letter to the Chairman of the Contracting Parties

"Mr. Chairman,

"I have the honour herewith to transmit to you a Memorandum signed by the representatives at the Torquay Conference of certain contracting parties and acceding countries, whose governments are associated with O.E.E.C., after a number of meetings held in order to exchange views as to the results in the field of European tariffs, which can be expected from the bilateral negotiations taking place at Torquay.

"On behalf of the signatories to the Memorandum I shall be grateful to you if you would now fix a date for a special session of the Contracting Parties. In the meantime I have taken the liberty of sending a copy of the Memorandum to the Secretary-General of O.E.E.C. for its information.

"I have the honour to be, Sir,

Your obedient Servant,

E. Sveinbjörnsson"

#### Memorandum

"After a series of exchanges of views as to the results, in the field of European tariffs, which can be expected from the bilateral negotiations taking place in Torquay the undersigned delegates at the Torquay Conference arrived at the following conclusions:

"At the present moment, the Torquay tariff negotiations have not been completed. Accordingly, it is premature to make a final judgment as to the effects of such negotiations upon the structure of European tariffs. It is to be anticipated that the significant tariff reductions and bindings which will result from these negotiations, when added to the results achieved at Geneva and Annecy, will have made a measurable contribution to a reduction of European tariff barriers as a whole.

"It is not too early to conclude, however, that the tariff reductions achieved at Torquay will not be of such scope and magnitude as to represent a sufficient contribution towards the creation of a single market in Europe.

"Some delegates made it clear that in their opinion the reduction of the disparities in the level of European tariffs would be limited by the existing disparities in the social and economic structure and special conditions of the countries concerned. Other delegates admitted that it would not be realistic to lose sight of these circumstances and that therefore absolute

equality of European tariffs would not be immediately feasible. They felt nevertheless that much more could be achieved in the reduction of existing disparities, which are stated in the preamble of the decision of the Council of O.E.E.C. of 27th October 1950 to constitute an obstacle to the achievement of a single European market.

"The undersigned recognize that although the methods heretofore applied in the negotiations within the scope of GATT had proved their worth, these methods had not been designed with the purpose of achieving a single European market.

"They agreed that there existed a problem of the disparity of European tariffs and that a Working Party of the Contracting Parties should be created to make an attempt to deal with it.

"For these reasons:

1. They request the Chairman of the Contracting Parties to convene a special session of the Contracting Parties at Torquay for the purpose of creating an intersessional Working Party.
2. They suggest that the Working Party should be composed of contracting parties or acceding governments which are associated with OEEC and that the Working Party should be authorized to invite other contracting parties or member countries of OEEC to take part in its work.
3. They suggest that the terms of reference of the Working Party should be the following:
  - a) The Working Party would consider the proposals of any member for multilateral or other procedures designed (i) to contribute to a reduction of disparities in European tariffs taking into account to the extent necessary the disparities in the economic and social structure of the different countries and (ii) to provide a means of obtaining compensation from other members of the GATT for the consequent tariff reductions.
  - b) The Working Party would develop such other tariff proposals as it might deem appropriate in the light of the objectives of the Organization for European Economic Co-operation and the decisions of the Council of the Organization.
  - c) The Working Party would report to the Sixth Session of the Contracting Parties on the progress made and submit for the consideration of the Contracting Parties at that session such proposals as might require action by the Contracting Parties.
4. They suggest that the Working Party should meet, subject to the call of its Chairman, at such places as it may determine.
5. They further suggest that the Executive Secretary should be instructed to make appropriate arrangements for co-operation with the Secretary-General of O.E.E.C.

"The undersigned recognize that the task of OEEC has a central relation to the work of the proposed Working Party and accordingly consider it most important for its work that the Working Party be informed of the opinion of the Council of OEEC as to the method, scope and general outline along which existing disparities in the level of European tariffs could be reduced."

Signatures as follows:

For the Government of Austria:	" M. Löwenthal "
For the Governments of the Belg-Luxemburg Economic Union:	" E. Le Ghait "
For the Government of Denmark:	" E. Sveinbjörnsson "
For the Government of France:	" E. Lecuyer "
For the Government of the Federal Republic of Germany:	" W. Hagemann "
For the Government of Italy:	" E. Anzilotti "
For the Government of the Netherlands:	" H. van Blankenstein "
For the Government of Norway:	" E. Børresen "
For the Government of Sweden:	" C. O. Gisle "
For the Government of the United States of America:	" C. D. Corse "