

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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CONTRACTING PARTIES
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STATEMENT OF THE DANISH
REPRESENTATIVE AT THE SECOND MEETING

Mr. Chairman,

In January, February, and the first part of March delegates from a number of countries have met informally here in Torquay in order to discuss the results in the field of European tariffs, which could be expected from the bilateral negotiations during the Torquay-Conference.

The initiative was taken by our colleagues from the Benelux countries, who invited some European delegates to participate in these informal discussions. Invited were delegates from U.K., France, Italy, Germany, Austria, Norway, Sweden, and Denmark. Also delegates from U.S.A. and Canada were invited and took part in the discussions, the Canadian delegate as an observer. Greece and Turkey were represented by observers.

The delegates taking part in the discussions agreed to ask me to conduct the meetings, and that is the reason why I today have the honour to introduce to this special meeting of the Contracting Parties the Memorandum, which came to be the result of the discussions.

As you will remember, the special question of the disparities in European tariffs was mentioned during the fourth session of the Contracting Parties in Geneva a year ago. When at that time we discussed the problem of the revalidation of the Geneva and Annecy concessions, the Benelux delegations made a reservation so far as they made it clear, that their position as to the rebinding would very much depend on the establishment of a better equilibrium as far as the European tariffs were concerned. My delegation made a similar reservation.

The most important question was of course not the problem, whether some countries would rebind or not, but the European tariff problem itself. The reason why this problem has become of so great importance is obvious, namely the increasing liberalization of trade.

What was the use of liberalizing trade if high tariffs still hampered trade?

Was it just that all European countries to the same degree should liberalize trade following a simple, automatic scheme, when tariffs differed widely from one country to another?

Was it not to be preferred that better equilibrium in the field of European tariffs should be reached by lowering high tariffs than by raising low tariffs?

Such questions had earlier been raised in the OEEC and discussed inside the OEEC. In the OEEC it was agreed in October last year that one in due time should examine the outcome of the Torquay-negotiations and see whether the results of these negotiations solved the existing problems.

Following the invitation of the Benelux-delegations, the delegates who were invited found it useful to devote some time to discuss, in an informal way, the probable results of the Torquay-negotiations. The conclusions they at the end of lengthy discussions arrived at are set forward in the Memorandum, which you have before you today.

It is not necessary for me to add much to what is in the Memorandum itself, but a few comments might be useful.

As you will see, the Memorandum is signed by the delegates for all the aforementioned European countries, except the U.K., and signed by the delegates in their capacity as government representatives. Also the U.S. delegate has signed the Memorandum.

The conclusions, the signatories have arrived at, are that they agree, that a European tariff-problem still exists in spite of the results achieved at Torquay; that in other words the important result of the Torquay-negotiations have not solved the basic problem, that has been discussed so much inside the OEEC.

They further agree, that it is of great importance to try to find ways and means to reach a better balance in the tariff-field, for which reason it might be useful to ask the Contracting Parties to set up an intersessional Working Party to consider the problem further and to report to the sixth session of the Contracting Parties.

They suggest, that the Working Party should keep in close contact with the OEEC. The reason for this is, of course, that the problem is first of all of importance to the European countries, but on the other hand it could not be solved without taking due account to the rules of the GATT.

In the Memorandum a suggestion is made as to the terms of reference of the proposed Working Party. Other suggestions might of course be discussed. On the other hand one must have in mind, that it is perhaps at the moment not possible to be more precise as to the terms of reference. When work begins, the Working Party itself may find that it is necessary to have some changes as far as the terms of reference are concerned, and the Working Party may therefore make suggestions in that respect, when reporting to the sixth session in September this year.

The task, The Working Party will have to perform, is an important as well as a very difficult one, but it is necessary that the work begins as soon as possible, and as work proceeds, it will perhaps be felt useful to make some adjustments.

At any rate, it is of importance to realize that it is a problem of a dual nature: it is a European problem to be dealt with in the light of the GATT.

In the Memorandum it is suggested, that the Working Party should be composed of contracting parties and acceding governments which are associated with OEEC, and that the Working Party should be authorized to invite other contracting parties or members of the OEEC to participate in the work. It is also suggested that the Working Party should meet at such places as it may determine.

These suggestions reflect that the whole problem is a European problem first of all. I think that it should be made clear to all that what has been in the minds of the signatories is that the Working Party should meet in Paris, where the European countries already have economic experts who have, before this special question was raised inside the GATT, discussed the European tariff problems in the light of the trade liberalization and the European integration plans.

Some delegations might therefore be of the opinion, that the special problem for the moment could be dealt with entirely inside the OEEC.

On the other hand, other delegations have rightly pointed out, that the problem also is of interest to the GATT, and for that reason we reached the compromise, that the Working Party should be set up as a GATT-Working Party, and should report to the GATT, so that the Contracting Parties would be kept informed of the work as it proceeds.

Personally I am in favour of a compromise along these lines, and it is the hope of all the signatories, that the proposed compromise could be accepted by all, and that everybody primarily concerned with the problems raised will participate in the work and try to reach the best results possible. As work proceeds, we shall be able to make the adjustments, for which need may be felt, and already in September the matter can be reconsidered by the Contracting Parties. I can assure you that the informal discussions, that took place, have been both lengthy and difficult, and I think it would be valuable if we could agree to the suggested compromise, at any rate give it a fair chance to show its merits or demerits.

In concluding my remarks I would like on behalf of the signatories to the Memorandum to thank the Chair for having called this special session of the Contracting Parties to deal with the question.