

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

TN.64/25
2 May 1964

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Trade Negotiations Committee

MEETING OF THE COMMITTEE AT MINISTERIAL LEVEL

Draft Decision

A. Tariffs

The Trade Negotiations Committee, meeting at ministerial level, agreed as follows:

1. The negotiations shall start on the basis of offers of a 50 per cent linear reduction in tariffs qualified to the extent that the rules to be established in respect of significant disparities permit offers of less than 50 per cent.
2. There may be a bare minimum of exceptions¹, necessitated by reasons of overriding national interest.
3. It is recognized that nothing in the negotiating rules would preclude any participating country from making a larger reduction in, or completely eliminating, duties on particular products.
4. Exceptions lists shall be tabled on 10 September 1964. This date may be reviewed by the Trade Negotiations Committee in the light of the progress made in the solution of the problem of tariff disparities and the elaboration of other negotiating rules.
5. The exceptions lists shall be subject to a process of justification and confrontation which shall be conducted in accordance with procedures to be elaborated by the Trade Negotiations Committee. These procedures shall take account of the need to safeguard the confidential nature of the negotiations.

¹These exceptions are distinct from any modification of its offers which, as agreed by the Ministers at their meeting in May 1963, it shall be open to each country to make in the course of the negotiations where this is necessary to obtain an overall balance of advantages between it and the other participating countries.

Note: The European Economic Community has reserved its position on Section A above.

B. Agriculture

1. The Committee, while reaffirming that the trade negotiations shall provide for acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products, noted that it had not yet been possible to formulate agreed rules to govern, and methods to be employed in, the negotiations.
2. The Committee noted that negotiations had been initiated with a view to the formulation of general arrangements on cereals and meat, and that preparations had been made for the early initiation of such negotiations on dairy products.

C. Non-tariff barriers

The Committee noted that many participating governments had already indicated the measures on which they wished to negotiate, and that other governments would shortly do so. The Committee would at an early date, draw up the procedures for negotiations on such measures.

D. Participation of less-developed countries

1. The Committee reaffirmed that in the trade negotiations every effort should be made to reduce barriers to exports of less-developed countries and agreed that this consideration should be borne particularly in mind in the approach to the question of exceptions.
2. The Committee noted with satisfaction that all participating governments were prepared to consider the possibility of cuts deeper than 50 per cent in, or the complete elimination of, duties on products of special interest to less-developed countries.
3. The Committee also noted with satisfaction the intention to entrust to a special body the task of examining and calling attention to any problems arising in the negotiations which were of special interest to the less-developed countries and of acting as a focal point for bringing together all issues of interest to these countries.
4. The Committee agreed that the contribution of the less-developed countries to the overall objective of trade liberalization should be considered in the light of the development and trade needs of these countries and not from the point of view of reciprocity.¹

¹Argentina and Brazil accepted this paragraph on the understanding that the phrase "development and trade needs" covers the requirements of the current financial situation.

E. The problem of countries with a very low average level of tariffs or a special economic or trade structure such that equal linear tariff reductions may not provide an adequate balance of advantages

(a) Countries with a very low average level of tariffs

The Committee noted that the countries concerned reserved the right to submit proposals in this connexion at a later date.

(b) Countries with a special economic or trade structure

1. The Committee agreed that Canada fell in the category of countries with a special economic or trade structure such that equal linear tariff reductions may not provide an adequate balance of advantages.
2. The Committee further agreed that Australia, New Zealand and South Africa were countries which had a very large dependence on exports of agricultural and other primary products and therefore, by virtue of the understanding reached at the ministerial meeting in May 1963, also fell in the category of countries referred to in 1 above.
3. The Committee reaffirmed that the objective in the case of all these countries should be the negotiation of a balance of advantages based on trade concessions by them of equivalent value.
4. The Committee noted that appropriate procedures in pursuance of this objective had been agreed.
5. The Committee noted with satisfaction that Greece and Portugal had indicated their intention to participate actively in the negotiations and would be submitting proposals at a later date on the basis for their participation.

F. Participation of Poland in the trade negotiations

The Committee noted that there had been under consideration for some time the question of ways and means of Poland's participation in the Kennedy Round. This consideration had taken place on the basis of the Polish proposals listed and explained in TN.64/NTB/15. The interest of Poland in participating actively in the trade negotiations was warmly welcomed and there was general agreement that it should be feasible to work out a practical arrangement. The Committee recommended that these discussions should be actively pursued to an early conclusion.