

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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Trade Negotiations Committee

PROCEEDINGS OF THE THIRD MEETING

Held at the Palais des Nations, Geneva
on 28-29 November 1963

Chairman: Mr. E. WYNDHAM WHITE

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<u>Subjects discussed:</u> 1. Sub-Committee on the Tariff Negotiating Plan	3
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The Chairman recalled that, under the procedures agreed by the Ministers at their meeting in May 1963, the Trade Negotiations Committee was set up to perform certain functions in connexion with the forthcoming trade negotiations. These functions were as follows:

(a) to elaborate a trade negotiating plan in the light of the principles in paragraphs A 1-8 of the Resolution (MIN(63)9) adopted by Ministers on 21 May 1963, with a view to reaching agreement on the details of the plan of tariff reductions referred to in paragraph A 4 of the Resolution by 1 August 1963, and to completing the remainder of the task by the date of the beginning of the twenty-first session of the CONTRACTING PARTIES;

(b) to supervise the conduct of the trade negotiations.

The present membership of the Committee is set out in document TN.64/4/Rev.1.

The Chairman pointed out that, in elaborating the trade negotiating plan, the Committee was required (MIN(63)9) to deal, inter alia, with the following issues and special situations:

- (a) The depth of the tariff reductions, and the rules for exceptions.
- (b) The criteria for determining significant disparities in tariff levels and the special rules applicable for tariff reductions in these cases.
- (c) The problem for certain countries with a very low average level of tariffs or with a special economic or trade structure such that equal linear tariff reductions may not provide an adequate balance of advantages.
- (d) The rules to govern, and the methods to be employed in, the creation of acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products. Since cereals and meats are amongst the commodities for which general arrangements may be required, the Special Groups on Cereals and Meat were to convene at early dates to negotiate appropriate arrangements. For similar reasons a special group on dairy products was also to be established.
- (e) The rules to govern and the methods to be employed in the treatment of non-tariff barriers, including inter alia discriminatory treatment applied to products of certain countries and the means of assuring that the value of tariff reductions will not be impaired or nullified by non-tariff barriers. Consideration was also to be given to the possible need to review the application of certain provisions of the General Agreement, in particular Articles XIX and XXVIII, or the procedures thereunder, with a view to maintaining, to the largest extent possible, trade liberalization and the stability of tariff concessions.

The ministerial Resolution (MIN(63)9) had envisaged that the Committee would appoint subsidiary bodies to assist it in its work. The following subsidiary bodies were set up by the Committee at its first meeting on 27 June 1963 (TN.64/SR.1):

- (a) Sub-Committee on the Tariff Negotiating Plan
(Membership and terms of reference - TN.64/1.)
- (b) Committee on Agriculture
(Membership and terms of reference - TN.64/2/Rev.1.)
- (c) Sub-Committee on Non-Tariff Barriers and other Special Problems
(Membership and terms of reference - TN.64/3/Rev.1.)
- (d) Sub-Committee on the Participation of the Less-Developed Countries
(Membership and terms of reference - TN.64/10.)

The Committee proceeded to review the status of the work of the above subsidiary bodies.

1. Sub-Committee on the Tariff Negotiating Plan (TN.64/11/Rev.1)

Introducing the report of the Sub-Committee (TN.64/11/Rev.1) the Chairman pointed out that the Sub-Committee had made good progress in its work on establishing the Tariff Negotiating Plan and that several problems in this connexion had been solved. It had not, however, so far been possible to find solutions for two important questions, that of tariff disparities and that of very low duties.

With respect to tariff disparities there were fundamentally two different views; one was that, where there was a certain arithmetical relation between two tariff rates, disparities should automatically be considered meaningful in trade terms; the other was that disparities should be regarded as meaningful only if, in addition to meeting the arithmetical criterion, they met also one or more qualitative criteria.

Several delegations stated that they could not take a position with regard to the report in the course of the meeting and suggested that the Committee should take note of the report and commend it to governments for further study.

The representative of the United States recalled that the new President of the United States in a message to Governor Herter had made it clear that the preparation for the next round of trade negotiations should be continued without change, in so far as the United States were concerned.

The Committee, having considered the report submitted to it by the Sub-Committee on the Tariff Negotiating Plan (TN.64/11/Rev.1), took note that agreement had been reached in the Sub-Committee on a number of questions. However, the Committee expressed concern that the two important questions referred to above still remained unresolved. It therefore commended the report of the Sub-Committee to the careful study of governments with the recommendation that every effort should be made to resolve the outstanding problems.

The Committee agreed that it would meet again at the beginning of February 1964 to receive a report from the Sub-Committee proposing solutions to these problems. The Chairman of the Sub-Committee would keep in contact with members as regards meetings of the Sub-Committee.

Finally, the Committee agreed that the matter raised in point (B) 3(c) of the Resolution (MIN(63)9) adopted by the Ministers on 21 May 1963 should be included on the agenda for the Committee's meeting at the beginning of February 1964.

2. Committee on Agriculture

The Chairman, having described the work so far undertaken by the Groups on Cereals and on Meat and by the recently established pilot group on dairy products, referred to the lack of progress made by the Committee on Agriculture itself. At its first meeting the Committee had before it a paper (Spec(63)301) prepared by the secretariat aimed at establishing a procedure whereby the Committee could proceed, at an early date, to identify those agricultural products for which the general rules of the Trade Negotiating Plan do not appear to be appropriate and for which, therefore, it would eventually be necessary to devise special rules and methods. The Committee on Agriculture had been unable to reach agreement on the question of procedure, as delegations were of the view that this involved major questions of principle which could not be agreed at this stage.

A number of delegations stressed their concern at the lack of progress so far made in the Committee on Agriculture and the essential need for progress to be made in this sector in conformity with the principles contained in the Resolution (MIN(63)9) adopted by the Ministers on 21 May 1963.

The Committee took note of the progress made by the Special Groups on Cereals and on Meat and of the fact that a beginning had been made with the work on dairy products.

The Committee noted with concern that the Committee on Agriculture had not been able to make a start on the important task entrusted to it with respect to the other agricultural products. The Committee urged that this situation be brought to the attention of governments with the recommendation that a determined effort be made so as to enable the work of the Committee to advance early in 1964. The Committee on Agriculture would then be reconvened early in 1964 and should be prepared to meet for a sufficient length of time to permit substantial progress to be made.

3. Sub-Committee on Non-Tariff Barriers and Other Special Problems (TN.64/NTE/10/Rev.1)

The Committee had before it a note by the secretariat on the first meeting of the Sub-Committee on 12-15 November 1963 (TN.64/NTE/10/Rev.1).

The representative of Japan drew attention to the fact that there was widespread discrimination against Japanese exports in the application of non-tariff barriers by other contracting parties, and said that there would have to be concerted action directed at the removal of this discrimination if Japan were to be able to secure reciprocity in the coming negotiations.

As regards the future work of the Sub-Committee, some delegations felt that an early start could be made at any rate on those questions which could require the multilateral negotiation of new rules (for example, escape clauses and anti-dumping duties). Other delegations, whilst not dissenting from this view, expressed their concern that the Sub-Committee should not embark on work which might prejudice activities which should more properly be carried out in other subordinate organs of the Trade Negotiations Committee, e.g. the Committee on Agriculture. Some other delegations felt that the Sub-Committee should not start its work on isolated non-tariff barriers until the whole range of such barriers has been identified and examined.

The Committee endorsed the proposal in paragraph 5 of TN.64/NTB/10/Rev.1 that governments should be asked to notify the secretariat, before the next meeting of the Sub-Committee, of any further subjects they wished to raise and to provide clarification on the subjects they had proposed for negotiation, including the nature of the problem and, where appropriate, the country with which they wished to negotiate.

The Committee agreed that the Sub-Committee should be asked to resume its work on 15 January 1964 on the basis of the notifications referred to above with a view to working out procedures for the negotiation of the non-tariff barriers thus notified.

4. Sub-Committee on the Participation of Less-Developed Countries
(TN.64/LDC/1/Rev.2)

The Committee had before it a note by the secretariat on the first meeting of the Sub-Committee on 27 November 1963 (TN.64/LDC/1/Rev.2).

Several delegations stressed the importance of the work to be done by this Sub-Committee. It was pointed out, however, that it would be difficult for the less-developed countries to form a definitive opinion as to the possibility of their taking part in the negotiations until further progress had been made in the work of other bodies, notably the Committee on the Legal and Institutional Framework, the Working Party on Preferences and the Sub-Committee on Non-Tariff Barriers, on questions of great importance to the less-developed countries.

The Committee reaffirmed the importance of the work being undertaken by the Sub-Committee and agreed that this work should now proceed with the greatest urgency. The Committee agreed that the Sub-Committee should reconvene before the next meeting of the Trade Negotiations Committee.