

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Trade Negotiations Committee

## PROCEEDINGS OF THE SEVENTH MEETING

Held at the International Labour Office, Geneva,  
on 28 May 1964

Chairman: Mr. E. WYNDHAM WHITE

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The Chairman said that the main purpose of the meeting was to take stock of the position which had been reached and to consider, in that light, the work programme for the coming months.

### 1. Tariff Negotiating Plan

The main issue outstanding, the Chairman recalled, was that of the identification and treatment of tariff disparities. As regards the identification of significant tariff disparities, the last two reports submitted by the Sub-Committee (TN.64/14 and 15) had set out the position which had been reached. His impression was that the Committee was not yet in a position to make further progress on that issue. He suggested, therefore, that the Committee should not discuss it further at that stage, but that a meeting of the Trade Negotiations Committee or the Sub-Committee on the Tariff Negotiating Plan should be convened in order to resume the discussion as soon as it appeared that it was possible to make further progress.

With regard to the rules for tariff reductions to apply in cases where significant disparities were identified, there had already been a preliminary discussion on a proposal submitted by the European Economic Community. It had

been generally agreed that an attempt should be made to see if it were possible to work out a solution along the lines of that proposal. He doubted, however, if it was likely to be fruitful to carry the discussion further for the time being. The matter was probably best left over until there was greater clarity on the rules for identifying disparities.

A further matter, which had to be settled in that connexion, was the date by which participants should indicate the products in respect of which they wished to invoke the disparity rules, and the relation of that date to the date for tabling exceptions.

With regard to other aspects of the Tariff Negotiating Plan, there were a number of points which needed further consideration. They included the following:

- (a) The procedures for circulating exceptions lists.
- (b) The procedures for confrontation and justification of exceptions, i.e. if it should take place in a panel of experts or other kind of restricted body.
- (c) The procedure for notifying and discussing the base date and the level of duties by reference to which the 50 per cent linear reduction would be calculated in the case of particular participating countries. A date later than 1 June, which had earlier been suggested, would clearly have to be fixed.
- (d) The question whether there was need for a principal supplier rule, i.e. the possibility of excluding from the required coverage of the linear cut products imported mainly from countries not participating in the negotiations.
- (e) The question to what extent the reduced rates resulting from the negotiations should be bound. A related question was whether there should be any special provisions for binding zero duties and duties on products included in exceptions lists.
- (f) The staging of the tariff reductions. It had originally been envisaged that the tariff reductions should be in five annual stages.

The Chairman said that there might of course be further suggestions for matters to be discussed in the Sub-Committee, but there was clearly enough material in the issues he had referred to to warrant reconvening it at an early stage. He suggested 11 June as a suitable date.

The representative of the European Economic Community suggested that the question of the treatment of mixed and seasonal duties should be added to the list of items proposed by the Chairman.

The Committee agreed that the Sub-Committee on the Tariff Negotiating Plan should hold its next meeting on 11 June 1964 with the agenda suggested by the Chairman, including the additional item proposed by the EEC.

The Chairman said that the secretariat would circulate an annotated agenda before the meeting.

## 2. Non-tariff barriers

The Chairman said that the outcome of the work done by the Sub-Committee on Non-Tariff Barriers had so far been disappointing. The only tangible result was the annex to document TN.64/22, listing the particular non-tariff barriers on which participating governments had indicated that they wished to negotiate. The Committee might wish to instruct the Sub-Committee to examine the list with a view, first, to clarifying where necessary what was involved in each case, and, secondly, to establishing on which barriers the interested governments were prepared to start on substantive negotiation. Where governments were so ready, the Sub-Committee might be instructed to set up special groups where the, at any rate, initial negotiation could take place. The membership of those groups would not be limited to the members of the Sub-Committee itself.

The Committee agreed that the Sub-Committee on Non-Tariff Barriers should meet on 15 June to deal with the matters suggested by the Chairman.

## 3. Participation of less-developed countries

The Chairman said that one of the matters in connexion with the participation of the less-developed countries in the negotiations which was necessary to take further in the near future, was the procedure under which the participating less-developed countries could indicate the items which they wished to have borne in mind in the preparation by developed countries of their exceptions lists. That question and the related one of the procedure for indicating the items where less-developed countries would like tariff reductions of more than 50 per cent, had been discussed at the last meeting of the Sub-Committee on the Participation of the Less-Developed Countries (see TN.64/21, pages 2 and 3), but more precision needed to be given to the general agreements reached at that meeting. The Sub-Committee should, therefore, be reconvened at an early date to consider that matter and any other matter which seemed ripe for further discussion at the time.

The representative of the United Arab Republic said that it was very important to his country that all possible efforts were made to formulate as early as possible rules for the participation of the less-developed countries in the forthcoming negotiations. A body should be established that could deal with all matters in that connexion. He particularly wanted to draw attention to four of those:

- (i) The drawing up of the list of items which, being of great export interest to less-developed countries, should not be included in the exceptions lists of industrialized countries; it should be based on the four lists of items already drawn up by Committee III.
- (ii) The drawing up of a list of items where the industrialized countries should reduce their duties by more than 50 per cent.
- (iii) The necessity of a close contact with the development of the work of the Preference Group.
- (iv) The repercussions of progress made in the Sub-Committee on the Tariff Negotiating Plan and the Committee on Agriculture on the participation in the negotiations of the less-developed countries.

The representative of the United Arab Republic stressed the importance in the discussions in connexion with the participation of the less-developed countries of the differentiation between developed and less-developed countries. He suggested that the differentiation used at the United Nations Trade Conference could also be used in GATT.

The representative of India supported the view that the products lists to be drawn up by the Sub-Committee on the Participation of the Less-Developed Countries should be based on the lists drawn up in Committee III. He further recalled that the representative of his country had raised at the ministerial meeting the question of the abridgement of existing preferences, and he asked in which forum it should most properly be discussed.

The Chairman said that in his opinion the question should be taken up in the Sub-Committee on the Tariff Negotiating Plan. It should consequently be added to the agenda for the meeting on 11 June of that Sub-Committee.

The Chairman said that the discussion of the problems mentioned by the representative of the United Arab Republic should not create any problems as they were, in his view, already covered by the terms of reference of the Sub-Committee on the Participation of the Less-Developed Countries. With regard to the last

point raised by the representative of the United Arab Republic he recalled, that it was against the practice and traditions of GATT to divide the member countries into different caucuses.

The Committee agreed that the next meeting of the Sub-Committee on the Participation of Less-Developed Countries should be held on 22 June.

#### 4. Participation of Poland

The Chairman suggested that the Sub-Committee on Non-Tariff Barriers and Other Special Problems might be invited to set up, at its meeting on 15 June, a special group to deal with the question of the participation of Poland in the negotiations. The group would meet as soon as participating governments had had time to define their position in relation to the proposals submitted by the Polish delegation in TN.64/NIB/15, but in any case not later than by the end of June.

This was agreed.

#### 5. Agriculture

The Chairman recalled that all the basic issues in that field had still to be resolved. It was clear, however, that the governments were not for the time being in a position to make progress on those issues. He hoped that the work could be resumed in the first part of July, but he suggested that no date for a meeting of the Committee on Agriculture should yet be fixed. He would, later on, decide on a date in consultation with the members of the Committee. In any case it would be necessary to start an intense and continuous work from the beginning of September.

One issue still unresolved was the definition of agricultural products. While it was clearly closely related to the whole question of the negotiation on agriculture, it should be borne in mind that governments might not be able to compile their lists of exceptions until they know with precision what products would be dealt with in the context of the negotiations on agriculture. The problem could, however, be left to a somewhat later date.

#### 6. Submission of exceptions lists

The Chairman recalled that the Trade Negotiations Committee had the overall responsibility for the negotiations and had to keep that in mind when deciding upon the time-table. He had found that the date fixed for the tabling of the exceptions lists, 10 September, would cause some difficulties in view, inter alia, of the fact that the period from the end of July to the beginning of

September was the main holiday season in the Northern Hemisphere. A tabling of the lists on 10 September would therefore mean that they in practice had to be ready at the end of July. That would, in its turn, create security problems. In view of those and some other considerations he suggested that the date for the tabling of the exceptions lists should be postponed to 16 November.

This was agreed.

7. Other business

The representative of Denmark asked that his country should be included in the membership of the Sub-Committee on the Tariff Negotiating Plan and the Sub-Committee on Non-Tariff Barriers.

This was agreed.

The representative of the United Arab Republic asked that his country should be included in the membership of the Committee on Agriculture.

This was agreed.

In reply to questions the Chairman said that the final establishment of the Dairy Group was to be decided upon at the next meeting of the Committee on Agriculture. If further groups on special agricultural products were to be established, the decisions were to be taken by the Trade Negotiations Committee.