

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Trade Negotiations Committee

## PROCEEDINGS OF THE NINTH MEETING

Held at the Palais des Nations, Geneva  
on 18 November 1964

Chairman: Mr. E. WYNDHAM WHITE

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### 1. The procedure for the justification of exceptions lists

The Chairman recalled that it had been envisaged that, in the first stage of the Tariff Negotiating Plan, exceptions lists would be subject to a process of justification on the basis of the objective criterion that exceptions should be only those necessitated by reasons of overriding national interest, and that this process should be conducted, following a preliminary report on the lists submitted by the Chairman of the Trade Negotiations Committee, in a body consisting of the countries participating in the negotiations on the basis of the linear offer. He proposed that this process should be initiated on 9 December 1964, it being understood that the preliminary report would be available some time before that date. This was agreed.

The representative of Norway said that his country had submitted no exceptions list. He recalled, however, that he had, from the outset, expressed fears as to the effect of the exceptions lists, particularly the exceptions list of the EEC, on Norway's exports. A preliminary estimate was that between 35 and 40 per cent of Norway's exports to the EEC were included in the exceptions list of the Community. Other items would fall under the disparity formula and uncertainty still remained as to the treatment of fish and fish products. His authorities were, therefore, already under pressure to withdraw items from the negotiations.

The representative of the European Economic Community stressed that items had been placed on the Community's list of exceptions only where this was dictated by reasons of overriding national interest. He nonetheless drew attention to the fact that in some cases the existence of the notion of overriding national interest depended on the solution which would be applied to certain problems. In those cases where elements of uncertainty existed, the Community list was made up mostly of partial exceptions thereby affording an opportunity of seeking with its partners those conditions which would make it possible to apply a reduction. He declared that the

Community list had been drawn up on the basis of the present state of the negotiating rules and that the Community reserved the right to adapt its list if further developments in the rules made it necessary.

He also stressed the importance which he attached to the fact that the negotiations are called "trade negotiations" thereby making it possible to negotiate on problems which had never been tackled heretofore, in particular the problem of non-tariff barriers. In this context, the solution to the problems raised by the customs valuation system would be decisive in the appreciation of reciprocity. In particular the Community felt that if the disadvantages in the "American selling price" system and the "standard of strength" system applied in the United States were not removed it could not consider that reciprocity had been achieved in the chemical products sector and would have to withdraw all of Chapters 29, 32 and 39 from the negotiations.

In conclusion he explained that in the negotiations the Community would, in addition to seeking overall reciprocity, also wish in a limited number of instances to secure reciprocity within categories of products.

The representative of the United States said that his delegation had taken note of the statement made by the representative of the Community. He emphasized that no barrier to imports maintained by his Government was a priori excluded from the negotiations. He pointed out that the United States also considered that the negotiations should encompass the totality of obstacles to trade and not merely the reduction of industrial tariffs. In this connexion he said that the United States was interested in reduction of non-tariff barriers maintained by its trading partners, and reiterated the importance his country attached to reduction of obstacles to agricultural trade. The United States exceptions list had been drawn up on the assumption of reciprocity based on mutual concessions relating to industrial tariffs, non-tariff barriers, and trade in agricultural products.

The representative of Australia said that it was the understanding of his delegation that the first stage would consist only of the checking of exceptions lists against the criterion of overriding national interest. The Chairman confirmed this.

## 2. Programme of meetings

### (a) Sub-Committee on the Participation of the Less-Developed Countries

The Chairman proposed that the Sub-Committee should meet at an early date to establish the rules for the participation of the less-developed countries. It was agreed that the Sub-Committee should hold a meeting for this purpose in the near future. It was understood that less-developed countries would require some time after the conclusion of this meeting to consider whether they would be able to participate in the negotiations on the basis of the rules agreed.

The representative of India said that a distinction should be drawn between full participation by less-developed countries in the negotiations and participation by these countries in the first stage, that of the justification of exceptions

lists. He pointed out that some less-developed countries had submitted lists of products of special interest to their export trade and suggested that these countries should be informed of any of these products which appeared in the exceptions lists, which had already been tabled. The relevant portions of the preliminary report on exceptions lists which was to be prepared by the Chairman of the Trade Negotiations Committee should also be transmitted to these countries.

The Committee took note of these suggestions and agreed that they should be considered by the Sub-Committee on the Participation of Less-Developed Countries at its next meeting together with any other proposals falling within its limit.

(b) Groups on Non-Tariff Barriers

It was agreed that the Groups on Non-Tariff Barriers should be reactivated after the completion of the first stage, the precise date to be decided by the Chairman in consultation with the delegations principally concerned.

(c) Committee on Agriculture

It was agreed that the date for the next meeting of the Committee should be fixed by the Chairman in consultation with the delegations principally concerned. It was also agreed that immediately prior to this meeting the Technical Sub-Committee should meet to look into the question of the definition of agricultural products to be adopted for the purpose of the negotiations.

(d) Trade Negotiations Committee

It was agreed that the Trade Negotiations Committee would hold a further meeting before the transition from the first stage to the second stage of the negotiations and that, at this meeting, consideration could if necessary be given to the position, in relation to the second stage, of countries which are to make offers of trade concessions when the rules to govern the negotiations on agricultural products have been elaborated.