

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/885

1 November 1958

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CONTRACTING PARTIES
Thirteenth Session

Original: English

PLANS FOR NEW TARIFF NEGOTIATIONS

Proposals by the United States Delegation

In his statement to the CONTRACTING PARTIES during the meetings at Ministerial level, Mr. Dillon, Under-Secretary of State for Economic Affairs of the United States, proposed that arrangements be adopted at this Session looking toward a new general round of tariff negotiations. Ministers agreed that consideration should be given to arrangements for such negotiation. New negotiations, successfully completed, will contribute notably to the fulfilment of the basic objectives of the General Agreement on Tariffs and Trade, to improved use of world resources, increased real incomes, and better living standards for all.

In presenting to Congress the proposed extension of trade-agreements authority, the United States Executive noted that in addition to the basic beneficial reasons for adoption of the legislation, the historic fact of the creation of the European Economic Community provided an additional important reason for renewal of the legislation. It was pointed out to the Congress that the General Agreement already provides third countries assurances concerning the over-all height of the new projected common tariff and concerning compensatory adjustments for those bound items on which tariffs must be raised. It was also pointed out, however, that it would be highly advantageous for all concerned that the United States and others negotiate new concessions with the Six and among themselves at the same time. Our view was set forth that these negotiations should be as broad as possible, in order to assure maximum advantage to all.

It is also evident, with respect to timing, that these negotiations should be completed before 1 January 1962 when the first adjustments of national external tariffs of the Six toward their new common tariff are to take place. In the United States' view, the negotiations themselves will require at least a year and an equal time should be allotted for preparations, which will be exceptionally detailed and time-consuming. It would appear highly desirable that detailed preparations be begun by the middle of 1959, in order that the opening of the negotiations could start not later than mid-1960. It is therefore recommended that the present Session agree to such target dates.

While it is the view of the United States that such a negotiation would proceed along traditional lines, it is also recognized that some revisions and adaptations of rules may be required to fit existing negotiating rules to the new situation of negotiation with a customs union which is in process of formation. Accordingly, it is the view of the United States that a study of site and procedures should be initiated forthwith, including any necessary changes in negotiating rules, so that consideration can be given to these matters by the CONTRACTING PARTIES at the appropriate time.