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ORGANISATION FOR EUROPEAN
ECONOMIC CO-OPERATION

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LIBERALISATION OF TRADE
MEMORANDUM BY THE CENTRAL GROUP

The Central Group take this opportunity of circulating to Delegations their views on the relationship between the Council decision of the 2nd November and the previous decisions of the 4th July, the 13th August and the 8th October.

The resolution of the 2nd November reaffirms the three earlier decisions and the Central Group therefore emphasise that it does not in any way subtract from those earlier resolutions; neither does it alter any of the procedures established by them. The effect of the latest resolution is merely to set up a minimum objective of 50% by categories.

In addition to the general points considered below, it is the opinion of the Central Group that certain decisions by the Council on the interpretation of the decision of the 2nd November are desirable, and they are, therefore, submitting separately a draft resolution covering these points to the Council for approval.

Bilateral Negotiations

In order that participating countries may be in a position by 15th December to implement the Council decision of 2nd November, the Central Group urge all participating countries intending to proceed by way of bilateral negotiation to conduct them with the utmost speed with a view to bringing them to a close by the 1st December. This will leave a period of 15 days for any adjustments to be made to the lists in order to reach the prescribed 50%. It also appears desirable for the chief negotiators to be prepared to be in Paris on about the 1st December for any additional exchange of views or information that may be needed to enable participating countries to comply with paragraph 1 of the Council resolution of the 2nd November on the liberalisation of trade.

The Central Group wish to draw the attention of all countries who intend to proceed by way of bilateral negotiation to the interest in these negotiations being so conducted that the maximum of concessions are granted by both parties.

If, at the end of the negotiations, a participating country has not itself granted concessions which together make up 50% of its trade, subsequently it will have to take unilateral measures of liberalisation in order to comply with the Council decision; and it will not obtain any direct negotiated advantage from these unilateral measures. For these reasons it seems that many countries should expand their present B lists.

In accordance with paragraph 5 of the Council decision of the 8th October (C(49) 153 (Final)), the Central Group should be kept informed of the course of the bilateral negotiations. So far the Group have not received any information on the course of these negotiations. In order that the Central Group may be able to organise their own work, Delegations are asked to inform the Secretary General of those negotiations which have been completed, together with their time-table for the rest, and thereafter to keep the Central Group continually informed of the course of their negotiations. The Central Group hold themselves at the disposal of Delegations, if at any time it appears to them that their assistance during the course of bilateral negotiations would be helpful.

Fifty per cent

The Central Group interpret the Council decision that quantitative restrictions should be removed on at least 50% of imports on private account from the other member countries as a group, to mean that it is not necessary, unless a member country wishes, to liberate 50% of its trade with each of the other participating countries. If for any reason a participating country liberates less than 50% of its trade with one of the participants, (either because it is excluding that country from some or all of its liberalisation measures or because the items liberalised do not include the more important exports from that country) it follows that it must liberate more than 50% of its trade with one or more of the others, in order that in total 50% of its total private trade shall be liberated.