

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## THE LIBERALIZATION OF INTERNATIONAL TRADE DURING THE NEXT DECADE

At the request of the Secretary-General of the International Chamber of Commerce the following Recommendations, unanimously adopted by the Twenty-Second Congress of the ICC on 6 June 1969, are distributed for the information of contracting parties.

### Recommendations

The measures of trade liberalization which have been adopted since the end of the war have certainly led to a more rational use of the factors of production in the world and have greatly contributed to economic growth and to the continuous rise of the purchasing power of consumers in real terms.

Despite the remarkable results which have been achieved up to now the exports of both developing countries and industrialized countries are still hampered in many cases by a variety of tariff and non-tariff obstacles.

Since the end of the Kennedy Round, no new initiative has been proposed. The present period of inactivity cannot continue without danger for the world economy, and new efforts of trade liberalization should be made as soon as the concessions agreed to during the Kennedy negotiations have been fully applied.

In the opinion of the businessmen represented at the Istanbul Congress, the governments of industrialized countries should agree to give a high degree of priority to the progressive elimination of outstanding tariff and non-tariff obstacles affecting manufactured goods and to the closer co-ordination of monetary and economic policies.

The ICC contemplates taking a stand at the time of its next Congress (1971) on a specific programme of action which would be both acceptable for the business community and politically feasible within the near future.

This programme should take into consideration the following principles:

1. In order to benefit from the advantages which would be negotiated, the developed countries should enter into commitments based on the principle of reciprocity.
2. These advantages should be granted to the developing countries without reciprocity being required and measures to bring forward the agreed stages of reduction should be envisaged in favour of such countries.<sup>1</sup>

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<sup>1</sup>This criterion does not apply to existing preferences based upon the principle of reciprocity.

3. The methods of tariff reduction should preferably be across the board and automatic, and the time-table of implementation should be the same for all participants; however, adjustments could be provided for in exceptional cases in favour of countries depending on the export of a small number of commodities.
4. Except for a few products considered to be particularly sensitive, the elimination of protective tariffs in the industrial countries for manufactured products should be achieved within a period of some ten years starting from 1972.
5. Similar commitments would be entered into with respect to the elimination of non-tariff barriers for manufactured products; the programme should take due account of the recommendations adopted by the present Congress on this subject and set forth in Brochure No. 258 and extend to obstacles hampering international movements of services and capital which are essential for international trade.
6. Counter-measures and streamlined procedures should be provided for to deal with cases where the application of the programme does not lead to an optimum use of the factors of production in the world either because of governmental interference or because of business practices having adverse effects on world trade and production.
7. The programme of action should include specific commitments regarding the liberalization of trade in agricultural products and other primary commodities.

The ICC is convinced that the end towards which we are working is the full use of the world's resources. Production should take place where it can be most fruitful and all barriers to trade or to production itself should be dismantled. Nothing short of this sort of freedom is consistent with achieving world economic growth and rising living standards to which all peoples insistently aspire.