

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES

INTERSESSIONAL WORKING PARTY ON THE REDUCTION OF TARIFF LEVELS

Recommendation adopted by the Council of Europe on a Common Policy of Lowering Tariff Barriers in Europe

The following communication, dated 12 February, has been received by the Executive Secretary:

"At their meeting of 4-7th February 1952, the Councillors of the Ministers for Foreign Affairs of the Council of Europe examined a Recommendation adopted on 6 December 1951 by the Consultative Assembly of the Council of Europe concerning the adoption of a common policy of lowering tariff barriers in Europe.

"I am herein enclosing two copies of the said Recommendation and of the Report* from the Committee on Economic Questions on this matter.

"The Councillors were of the opinion that the proposals contained in the Recommendation had some relation to the proposals on the Agenda of the Intersessional Working Party which the Contracting Parties set up on 2 April 1951.

"The Councillors have instructed me to request you, in view of the forthcoming meeting of the Working Party, to take the necessary steps to include on their Agenda consideration of the technical implications of this Recommendation.

"It is understood that this request does not imply any commitment on the part of the Committee of Ministers as to the substance of the Recommendation, and that it should not in any case affect the arrangements of the Working Party for consideration of the proposals already referred to it.

"I wish to add that the Council of Ministers have had a preliminary exchange of views concerning the establishment of official relations with the Secretariat of ICITO and that the Councillors have agreed to examine this question further at their next meeting. It is understood, however, that, if the Working Party should decide to accept the request submitted in this letter, I would be prepared to give any assistance that might be deemed useful."

* Available for consultation in the Secretariat.

Recommendation on a Common Policy of Lowering Tariff
Barriers in Europe

The Assembly,

Considering that Member States should make one of their main objectives the removal of barriers to mutual trade, but that any action limited merely to the abolition of quantitative restrictions is insufficient, the more so if it affects only private to the exclusion of Government trading;

Noting the particular importance of a common policy by Member States to lower tariff walls within Europe,

Noting that the first aim of such a policy should be to fix a maximum rate of duties and subsequently to lower by stages customs duties on the greater part of intra-European trade,

1. Proposes that such a policy should be based on the following three principles:

(a) The High Contracting Parties shall undertake by Convention not to retain as between each other any customs duties exceeding 35% beyond a date to be fixed in the Convention and in any case not later than the date of completion of the successive stages of this plan.

In order to facilitate the application of this principle by the High Contracting Parties, States which have high customs duties of a fiscal nature shall be permitted within the above-mentioned period to convert such duties into taxes imposed equally on imported and internally produced commodities.

(b) The High Contracting Parties shall undertake not to retain or impose on goods originating from other High Contracting Parties any import duties exceeding 5% in respect of raw materials, 15% in respect of semi-finished goods and 25% in respect of finished goods and food products.

The provisions of the second paragraph of the first principle concerning the possible conversion of certain customs duties into taxes applying equally to foreign and to home-produced goods shall apply also to the provisions of the foregoing paragraph.

During the first year the undertaking laid down in the first paragraph of this principle shall apply only to 70% of the total import trade of each country in any of the categories specified above. During the second year it shall be extended to 80% and during the third year to 90%. The High Contracting Parties shall

undertake before the end of the third year to determine the procedure and lay down the conditions in which the above ceilings in respect of import duties may be extended to their minimum tariff schedules.

The High Contracting Parties shall undertake to open negotiations for the purpose of fixing tariff ceilings for individual goods of particular importance in intra-European trade.

- (c) The Convention shall be open to all countries and independent customs areas willing to accept the obligations therein laid down.

Realising, however, that the adoption of these three principles would represent only a step towards the achievement of a European Customs Union, the Assembly

2. Recommends the insertion, either in the Convention to be signed by the High Contracting Parties, or in the Final Act of the Conference at which such provisions were accepted, of a clause whereby the States would undertake within a reasonable period to convene a Conference for the purpose of examining a plan for the complete abolition of customs duties between the countries concerned.

3. Condemns the use of quantitative restrictions as a protective device and declares that they must never neutralise or reduce the effects of the lowering of duties envisaged in the above paragraphs.

4. Instructs the Secretariat-General to keep in touch with the leading official organizations concerned with these problems and especially to study in co-operation with GATT the technical problems arising from the application of the above three principles, with the final object of drawing up a more detailed plan for the implementation of a "Low Tariff Club" which should take account of the difficulties of the individual States and to study the problem of computing index numbers to measure the height of the average tariffs maintained by each Member State.

5. Instructs the Committee on Economic Questions and the Secretariat-General to study, in collaboration with the qualified international bodies, the possible effects of this reform in the different countries, upon the utilisation of manpower and its possible transference from one employment to another.

6. Instructs the Secretariat-General so far as possible to associate itself with the work of the special committee which was set up in Geneva in October 1951 and has been given the task of studying suggestions submitted for the lowering of customs duties on a regional basis and of examining the plan drawn up by the French Minister M. Pflimlin, and

7. Recommends that the Committee of Ministers acquaint Governments with the proposals herein contained and requests them to formulate suggestions whether for an international conference or joint action within the framework of the General Agreement or for other appropriate means to ensure their implementation

8. And further recommends that the Committee of Ministers invite the Governments of Member States to report any modifications in their tariffs to the Secretariat-General which shall be responsible for their publication.