

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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TARIFF DISPARITIES IN THE GATT TRADE NEGOTIATIONS

Statement Submitted to the Contracting Parties to the
General Agreement on Tariffs and Trade by the
International Chamber of Commerce

The International Chamber of Commerce reaffirms the great importance it attaches to the success of the "Kennedy Round" of trade negotiations within the GATT. It has recognized that tariff disparities create a special problem and it has given lengthy and detailed consideration to the question and to the possibility of finding a solution for the difficulties which arise. As a result of this examination, the ICC is convinced that the problem of tariff disparities can be solved and should not represent a major obstacle to the dismantling of trade barriers and the consequent expansion of international trade.

The ICC feels that governments concerned should now be able to find rapidly an acceptable basis for the determination of tariff disparities, along the lines of the proposals put forward by the EEC and the United States. A decision of principle by governments is of basic importance. Following this, negotiations will no doubt start to examine how the rules agreed upon will be applied in the light of the existing economic background and future prospects of trade, due account being taken of the interests of third countries.

The ICC considers that those negotiations should have as their object the preservation of the widest possible application of linear reductions by a substantial percentage. Recourse to the rules relating to tariff disparities should be limited to cases where the automatic application of linear cuts would result in an undesirable lack of reciprocity. Unless governments use restraint in resorting to exceptions either on the basis of disparities or on any other ground, it may be feared that negotiators will appraise the degree of reciprocity achieved on the basis of a subjective assessment. This might seriously reduce the effectiveness of the negotiations.

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