

GENERAL AGREEMENT ON
TARIFFS AND TRADEMultilateral Trade Negotiations

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The trade negotiations in which we are engaged differ from those held hitherto under the auspices of GATT in that they are global in scope, bearing on all the measures that have a restrictive effect on international trade. This means that apart from tariffs, there are a series of barriers to international trade that we shall have to deal with. Accordingly, we share the view expressed by the United States delegation that the tariff-cutting exercise is not to be considered in isolation, but in the context of an overall effort bearing likewise on non-tariff barriers to trade.

No doubt, by tradition perhaps more than for other reasons, the tariff area remains a key element of our negotiations. The fact that the United States have today presented their tariff formula must therefore be welcomed. Now all the participants, whether developed or developing countries, will be able to clarify their own position and this should allow us progressively to reach agreement on what could be called the tariff formula of the Tokyo Round. The comments that follow now are accordingly presented in relation with the United States proposal.

One of the positive elements of this proposal lies in the fact that although the United States initially advocated a linear tariff-cutting formula, they have now introduced a harmonization element - though still to a somewhat modest extent - in their formula. Another positive aspect of the United States position is to be found in the comments that have been made regarding the need to minimize exceptions, failing which the tariff negotiations would lose much of their value.

Other speakers before me have mentioned the link between any tariff formula and the question of exceptions. One must indeed wonder whether there is not, so to speak, a "mechanical" link between the extent to which a tariff formula is ambitious and the number of exceptions that must be expected. In any case, this is a question that the Swiss delegation is bearing in mind. At the same time, we are also wondering how matters are developing in practice. Thus, the sectors - I shall not enumerate them here - which are always candidates for exceptions, may well remain so,

whether the tariff formula is ambitious or whether it is not. That is why our starting position is still that of supporting an ambitious approach linked to a simultaneous and real effort to keep exceptions to the strict minimum. These exceptions are themselves an element for negotiation. If each of us can obtain from its partners maximum restraint in regard to exceptions, then we shall each be better placed to do the same. It seems clear to us, then, that a solution will have to be found midway between the absence of any discussion on exceptions before a tariff formula is adopted, as the United States are proposing, and examination of the question of exceptions prior to the adoption of the tariff formula.

A number of representatives have also referred to the problem of reciprocity. Some of them have already pointed out that in the final analysis this problem might arise not so much at the negotiating table as vis-à-vis those who have given us our negotiating mandate. In other words, the concept of reciprocity is perhaps subjective rather than objective in nature.

With these considerations in mind, one can more easily tackle two aspects of the problem of reciprocity and deal with them in a perspective that is forward-looking and not static - in other words, starting from the premise that within the framework of the Tokyo Round, the tariff negotiation is one stage toward the complete elimination of tariffs. In fact, there is no real reciprocity in the level of tariff protection which the various participants in the negotiation enjoy at present, whether on the basis of tariff averages or at the level of tariff lines. And since each country participating in the negotiations is starting from a different situation, one can rightly wonder whether each of them should be expected to offer mathematically the same contribution. That is one consideration which, among others, can perhaps explain why the concept of harmonization is of some importance. No doubt it is perhaps not always useful to remain unduly attached to the past, that is to say in this particular case, to the starting positions. Rather, let us ask ourselves what we are seeking to achieve in the current negotiations. On this point, we share the view of the Nordic countries as expressed by Mr. Colliander: the negotiations should lead us to a tariff situation where differences in individual levels of tariff protection would be reduced to a minimum. That is another reason why we would like to see a harmonization element more substantial than the one we now find in the American formula. And I should like to stress that what we have in mind is harmonization at the lowest possible level.

These few preliminary remarks will be the basis of the work that the Swiss delegation will be undertaking with a view to translating into concrete terms the tariff formula that we have presented by way of a working hypothesis. In so doing, it is our intention to define the rate of reduction that seems to us acceptable and the degree of harmonization that we believe feasible in the present negotiations.