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C O M P E N S A T O R Y T A L K S T O O P E N

Washington, DC -- February 28, 1973 -- The European Community begins negotiations tomorrow with its major trading partners, including the United States, on the question of whether the EC's enlargement entitles these partners to compensation. The negotiations in Geneva are within the General Agreement on Tariffs and Trade (GATT).

Any of the EC's trading partners which can show damage to their trade as a result of the Community's (enlarged) customs union are entitled to compensation under Article XXIV/6 of the GATT.

The Community believes that its January 1 enlargement to include Britain, Denmark, and Ireland has no overall adverse trade effects for the outside world. The EC's position is based on the fact that the average industrial tariff for Britain, the largest of the three new member countries, will now be lower than before British membership.

AVERAGE POST-KENNEDY ROUND TARIFFS
(percentages)

	Raw Materials	Semi-mfd.	Finished mfd.	Industrial Average
Community	0.6	6.2	8.7	6.0
United States	3.8	8.3	8.1	7.1
United Kingdom	1.2	8.3	10.4	7.6
Japan	5.5	9.3	12.0	9.7

(Source: Tariff Study, GATT, 1971)