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FOR IMMEDIATE RELEASE

**COMMUNITY PROPOSES TARIFF-CUTTING PLAN IN GATT  
MULTILATERAL TRADE NEGOTIATIONS**

*A spokesman for the Commission of the European Communities issued the following press release today in Brussels and Geneva.*

"The European Economic Community (EEC) today put forward in the tariff group of the multilateral trade negotiations in Geneva a tariff-cutting formula which, if accepted, would result in a significant and harmonized reduction in tariffs on industrial products imposed by developed countries.

"The Community's formula aims at a significant reduction of industrial tariffs through a harmonization of the levels of existing tariffs. In other words, the higher the duty the greater the reduction. In this way, exceptionally high tariffs which distort trade and seriously hinder imports would be reduced to more reasonable levels while tariffs which are already at a moderate level would also be reduced significantly.

"The Community's tariff-cutting plan is represented by the formula  $Y=X$  where Y is the rate of reduction and X is the initial rate of duty. Thus a 20 per cent duty would be reduced by 20 per cent and a 10 per cent duty would be reduced by 10 per cent. However, to ensure that this formula for tariff harmonization also results in a significant reduction of the rates of duty, the Community has proposed that it be repeated four times. Thus, a 20 per cent duty would be reduced by successive applications to approximately 10 per cent.

"Tariffs on agricultural products are not included in the present Community proposal as they are a matter for the agriculture group of the multilateral trade negotiations.

"The Community believes that its formula would reduce the existing trade distorting differences between the tariff structures of the developed countries to a more acceptable level. The adoption of this formula accompanied by sub-

stantial progress in the other areas of the negotiations, especially nontariff measures, should contribute effectively to the aims set out in the Tokyo Declaration of attacking those obstacles which impede trade and bringing about an overall balance of advantages at the highest possible level.

"As regards developing countries, the Community believes that its formula, combined with special and favorable treatment for products of export interest to the developing countries (variation in the depth of tariff cut and/or timing of the cuts, improvement of the generalized system of preferences, etc.), will ensure improved access for their industrial exports to the markets of the developed countries. The formula will also help to lessen the unfavorable impact of 'tariff escalation' on their semifinished and finished products. The Community does not expect the developing countries to apply the proposed tariff cutting formula but at a later stage these countries may be able to make a contribution in the various areas of the multilateral trade negotiations which is not incompatible with the needs of their economic development."