Mr. President,

At the outset of my intervention I should like to declare that Austria as a contracting party to the General Agreement supports fully the objectives and the tasks of this world-wide institution. For this reason alone, my country will participate in the Kennedy negotiations with the intention to make these negotiations a full success. In our view, time has come for a decisive move towards a significant reduction of tariffs. Austria, therefore, has welcomed the initiative of the United States Government. I am in a position to state that Austria would be ready to accept the United States proposals in their original form, provided that the other contracting parties adopt the same attitude.

However, certain difficulties in regard to the disparity problem and agriculture have arisen during the preparatory talks. It is necessary to find a way out of these difficulties. If my understanding is right, agreement in principle has been reached to reduce tariffs for a wide range of products by 50 per cent, whereas tariffs for disparity items would be reduced by a lesser degree. I feel that the realization of this agreement would be a great success going by far beyond similar earlier efforts in the framework of the General Agreement.

Evidently, we have to be aware of the fact, that, as soon as we deviate from the principle of linear tariff reductions, we do meet important technical difficulties. Nevertheless, a partially linear and partially differential tariff reduction is preferable to a complete failure of our undertaking.
Since the problem of disparity exists, an adequate solution has to be found. The position of third countries which would be affected by the invocation of disparity rules should be safeguarded. Austria is ready to agree to any solution whatsoever, which would lead to constructive results, that is to say to an effective reduction of tariffs on a non-discriminatory basis. If, in this context, consultations were to prove useful, they should be conducted on the understanding that the interest of all parties is taken account of.

Mr. Chairman, at this juncture, I should like to state that Austria will table maximum offers with a bare minimum of exceptions, if any. It is self-understood that, thereafter, Austria will negotiate with a view to reaching reciprocity.

The readiness of Austria to co-operate actively applies also to other questions such as non-tariff barriers.

Austria is moreover conscious of the need to take care of the particular position of developing countries in the Kennedy Round. It is gratifying to note that much progress has already been made in this field.

As far as agriculture is concerned, Austria is prepared to negotiate on an access to markets. In cases where market regulations are applicable those regulations should be taken into account.

Looking back at the difficult preparatory negotiations, I do not want to create the impression of unfounded optimism. Indeed, we are still facing further long and difficult discussions. Many participants of this conference hold the view that it might take several months to solve the issues before us. Others even envisage practical results at the earliest at the beginning of next year.

The Austrian Government would welcome an early success of the negotiations. This desire explains itself from the fact that early general tariff reductions would, apart from all other advantages, alleviate the increasing problem of tariff discrimination between the trading blocs. A result, in which Austria is particularly interested.

In view of the possibility of a long period of negotiations and in view of the advantages which early effective tariff reductions would afford, I suggest that we should seriously contemplate to make important tariff cuts immediately after the end of the negotiations.

I might add that Austria would also be prepared to take into consideration the possibility of making effective tariff cuts even before the negotiating rules have been finally established, on the condition that there is participation by other contracting parties in such an effort.

An agreement on the early implementation of the results of the Kennedy negotiations would constitute a successful starting point for other questions still unsolved. The ball would start rolling.