GENERAL AGREEMENT ON
TARIFFS AND TRADE

CONTRACTING PARTIES

INTERSESSIONAL WORKING PARTY ON THE
REDUCTION OF TARIFF LEVELS

Recommendation adopted by the Council of Europe on a Common
Policy of Lowering Tariff Barriers in Europe

ADDENDUM

Resolution of the International Chamber of Commerce

The following Resolution adopted by the Council of the International
Chamber of Commerce in May 1952 has been submitted for consideration by the
Contracting Parties.

"The International Chamber of Commerce welcomes the plan proposed by the
Consultative Assembly of the Council of Europe for establishing a Low Tariff
Club between the countries of Western Europe. The purpose of this eminently
practical scheme is to establish a European Customs Union. The I.C.C.
concurs that this should be accomplished by means of successive reductions
in intra-European tariffs over a period of three years, followed by a Customs
Union Conference. By concentrating on the maximum rates, the Low Tariff
Club avoids the almost insurmountable difficulties involved in schemes based
on the notion of average tariff levels.

"The I.C.C. therefore recommends that as soon as the present payments
crisis has been overcome and the movement towards liberalization of trade
resumed, the Council of Europe scheme be put into effect by as many European
countries as possible.

"There is one big obstacle to the formation of a European Low Tariff Club.
The Western European countries have most-favoured-nation obligations towards
countries which would be unlikely to enter the Club in its initial stages,
either in virtue of the General Agreement on Tariffs and Trade (GATT) or in
virtue of individual treaties. The scheme would obviously be unworkable if
the members of the Club were obliged automatically and without compensation
to extend their mutual concessions to all other countries whether members
of the Club or not.

"The I.C.C. therefore strongly urges all the governments concerned, and
particularly the contracting parties to GATT, to allow the scheme to go into
effect either by waiving their most-favoured-nation claims on the member
countries or by offering adequate equivalent concessions in return."
"Ways and means will also have to be found of reconciling the basic requirements of the Low Tariff Club with systems of preference such as that existing in the British Commonwealth. The I.C.C. is aware that many delicate problems are involved, but it believes that these do not constitute insurmountable obstacles and that with goodwill on all sides it should be possible by negotiation and discussion to reach an agreement enabling the countries in question to join the Club from the outset.

"The I.C.C. further suggests that careful thought be given by the Contracting Parties to GATT to the possibility of accelerating the reduction of tariffs by the adoption of a similar scheme on a world-wide basis."