1. This chart compares the results obtained from the application of the formulae set out in Spec(63)260. The A type proposal will be found in paragraph 4, and the B type in paragraph 5.

2. The two straight diagonal lines show: (a) no reduction in duties, and (b) a 50 per cent linear cut.

3. The dotted line (c) shows the A type of proposal, on the assumption that the cut-off is fixed at 30 per cent ad valorem. Below this level in pre-Kennedy rates of duty bonus points can be added after the 50 per cent cut has been made. The line of smaller dots reflects the fact that, within a certain range, the formula may result in the addition of either 2 or 3 bonus points, depending on the level of the "high" tariff. The horizontal steps at 9.5 per cent ad valorem post-Kennedy and 15 per cent ad valorem post-Kennedy result from a rule designed to avoid the anomalies referred to in paragraph 6 of Spec(63)260. The rule used here is that:

   bonus points shall not be added in such a way as to increase the final level of a tariff above the level to which a higher duty is to be reduced.

4. Two further lines show the B type of proposal, (d) on the hypothesis that the "high" rate is 50 per cent ad valorem and (e) on the hypothesis that the "high" rate is 80 per cent ad valorem. These examples are the same as those used on page 3 of Spec(63)260 expressed in graphic form.

*English only/anglais seulement.
ALTERNATIVE SCHEMES FOR DEALING WITH TARIFF DISPARITY ITEMS IN THE KENNEDY ROUND

Legend
(a) No reduction
(b) 50% linear cut
(c) Type A proposal
(d) Type B proposal: "high" rate 50%
(e) Type B proposal: "high" rate 80%