

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Trade in Industrial Products

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OPENING STATEMENT BY UNITED STATES REPRESENTATIVE

The task now faced by this Committee is a difficult but necessary one. It requires breaking new ground because it involves problems with which the CONTRACTING PARTIES have never fully come to grips. Success demands the exercise of much will and imagination. Why is this so?

We have gone about as far as we can in identifying the non-tariff barriers that cry for attention. And much - though not quite all - of what can be done has been done in classifying them. Now we are faced with the need for more substantive progress at a time when governments - including my own - still have work to do before they are in a position to begin the actual negotiations for the removal of non-tariff barriers.

The need for progress is urgent. It is urgent partly because of the conviction of businessmen in all countries that the objectives of the GATT are being undermined by non-tariff barriers. This belief could itself threaten those objectives. But it has more than a germ of truth. It was inevitable that, as the Kennedy Round tariff reductions became effective, existing non-tariff barriers would become relatively more important. But it is probably also true that many of those barriers that were previously less effective have begun to bite. Furthermore, the list of non-tariff barriers that contracting parties have notified to this Committee are not without examples of new barriers, some of which may have been erected in answer to domestic pressures generated by the fear of increased competition following lower tariff barriers.

In light of the present status of the Committee's work and the urgent need for further progress, my delegation believes that our future efforts should be directed no longer toward the delineation of problems but to their solution. None of us can begin negotiating at once. But we can now prepare the ground for negotiations. In short, we can and must focus on solutions so that the preparatory work will be completed when the CONTRACTING PARTIES are ready to negotiate. We hope that that time is rapidly approaching.

We cannot, of course, deal with all problems simultaneously. We, therefore, take the view that at this meeting we should group together those measures that lend themselves to a common approach and establish appropriate working parties to formulate procedures for common action. That is to say, these groups should prepare proposals that could lead to negotiated removal of non-tariff barriers.

To give expression to our determination we believe the Committee should endorse the secretariat's proposal for a Declaration that would indicate countries' willingness to engage in exploratory talks looking toward the elimination or reduction of non-tariff barriers. We also think the Committee should examine the secretariat's proposal for prior consultations before new non-tariff barriers are put into effect.

It is high time for the CONTRACTING PARTIES to make it clear that they recognize that much useful work can be done in this field in response to the needs of the world trading community. My Government recognizes these needs and will strongly support GATT leadership.

The secretariat is to be commended for producing a highly useful document (Spec(69)115), which is not only acceptable to my Government as a basis for discussion but was most helpful in preparations for this meeting. The secretariat has done its job. This Committee is now faced with the task of responding to the secretariat's initiative. My Government hopes that this response will be a positive one. At one of his early press conferences President Nixon said that "the interest of the United States and the interest of the whole world will best be served by moving toward freer trade rather than toward protectionism". We cannot move in this direction by ignoring the problem of non-tariff barriers. Furthermore, unless this issue is faced, we cannot create a trading world of reciprocal competitive conditions in which the exporters of all countries compete on a fair and equitable basis.

To be specific, my Government endorses the approach suggested by the secretariat in establishing working groups on non-tariff barriers. These groups should be established at the earliest opportunity and should look toward the resolution of countries' non-tariff complaints included in the GATT inventory. Of course, it will not be possible to seriously consider all items that have been listed by the CONTRACTING PARTIES at the same time. Their number is too great; their nature is too dissimilar; and simultaneous consideration would lead to impossible staffing difficulties. Consequently, priorities are necessary for the creation of such working groups. During the course of our meeting we will make proposals for the establishment of working groups.

Any working groups that might be established should be directed towards possible solutions of countries' complaints. The secretariat's listing of countries' complaints according to their generic characteristics was a useful one for the initial work of this Committee. This classification, however, does not appear to be equally useful in facilitating solutions. Consequently, my delegation believes that it would be helpful if the key non-tariff barriers listed by the secretariat in its report could be classified according to categories of possible solutions. The secretariat has suggested such categories and these might serve as the basis for discussion.

My delegation considers that any working groups that are established should not be negotiating groups, as such, but should prepare the ground for later negotiations. Such groups should include experts and, for example, might draft for consideration new international rules where they do not now exist or propose changes in those existing rules that countries regard as unsatisfactory in their present form. In cases where satisfactory rules exist but countries do not abide by them recommendations might be made on how compliance can be expedited. Some problems may not lend themselves to multilateral consideration and might be dealt with bilaterally or in smaller groups under the auspices of the secretariat and with reports made to the Committee.

We believe the members of whatever groups that might be established should approach their tasks with the objective of seeking the best solutions possible. If progress is to be made, the initial work of these groups must not be unduly concerned with the present ability of governments to accept any new rules or other solutions that may be formulated. Such acceptance would be the subject of future negotiations.

My Government is also willing to subscribe to a declaration, such as that suggested by the secretariat, that members of this Committee evidence their willingness to engage in exploratory talks looking toward the reduction or elimination of non-tariff barriers. Such a declaration would be a useful expression of the will of the CONTRACTING PARTIES to expedite work in this field and, ultimately, to arrive at successful resolution of the many non-tariff barriers burdening trade.

While we are seeking ways to reduce existing barriers, we must be equally concerned with new or intensified restrictions. The secretariat is also to be commended on its proposal for prior consultation before any new non-tariff barrier is put into effect. Such an undertaking could have great value; my Government is willing to join with other members of this Committee to determine the nature of such a proposal and how it might be made effective.

Permanent machinery might be established within the GATT to consider countries' complaints before they become serious problems leading to formal invocation of GATT remedial provisions. My Government has no firm proposals to make at this time but is willing to explore how such consultative machinery might work and the possible scope of its operations. Such a consultative mechanism could add a major new dimension to the role of the GATT. We would like other governments also to begin consideration of such a possibility.

Regarding the GATT tariff study, we think that it has reached the point, or will very soon reach the point, where the work on tariffs and non-tariff barriers must be brought together if we are to have a clear idea of the problems that must be dealt with in our next effort to dismantle trade barriers. The question is how this necessary merging of tariff and non-tariff work can most usefully be accomplished. Perhaps, as an initial step, any groups that might be established to consider non-tariff barriers should, whenever possible, identify NTB complaints by tariff numbers or by product categories.

One final point on the tariff study. If this work is not to be delayed in the future, it is important that all countries submit the necessary trade data, ad valorem equivalent rates of duty, and tariff concordances. We hope that this can be done at the very earliest opportunity.

Just as the work in the Committee on tariffs and non-tariff barriers must be brought together the work on industrial products and on agricultural products must also be brought together before we can make substantive progress. Agriculture and industry cannot be treated separately indefinitely. Work on agriculture must be expedited so that it can move in step with work in the industrial area. The United States cannot conceive of a meaningful negotiation on non-tariff barriers that excludes agricultural products.

In conclusion, my Government believes that the work already completed by this Committee is extremely useful. As we now move out of the strictly factual stage of this work and begin laying the groundwork for negotiations, our tasks will undoubtedly become more difficult. But they are not insurmountable. It is a cliché to say that, when there is a will, there is a way - but with a determined will, and a considerable measure of good will, we are confident that a way can be found to eliminate or reduce non-tariff barriers to international trade. The United States is prepared to make the effort and it hopes that other governments will join with us.