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REVIEW OF THE WORK OF THE CONTRACTING PARTIES AND FUTURE PROGRAMME

Statement by Dr. Alberto Sola, Secretario de
Estado de Industria y Comercio, Argentina,
on 23 November 1967

If the people involved in the work of placing international trade on the basis of final liberalization and multilateral understanding sometimes feel daunted by the obstacles that are still in their path, they can take comfort from everything that has been achieved since 1947, and realize that an appreciable part of the process has been achieved. The twenty years of existence of GATT have made it possible to pass from an international economy restricted by the lack of convertibility of currency, strictly bilateral agreements and the excessive weight of non-tariff instruments of trade regulation, to the present situation in which, with a few exceptions, interchanges are showing regular expansion and a reasonable absence of discriminatory rules. GATT has been a basic instrument in this evolution, and, at all times, has known how to adapt these objectives and direct its efforts towards those aspects which to the greatest extent require its particular action.

The ever-increasing interest in the problems of the developing countries, the realization of the importance of international trade as a means of allowing each of the countries to attain its own national development objectives as quickly as possible, and, in short, the approval of Part IV of the General Agreement clearly show the efficiency with which the CONTRACTING PARTIES have directed their action towards the most sensitive points of modern economy.

This review of the work of GATT should not blind us to the fact that the path which still has to be followed is bristling with difficulties just as much as those which existed in the last twenty years.

Argentina has just finished the negotiations which were incumbent upon it as a contracting party. I think that the best demonstration of the fact that the position of my country in respect of international trade fully coincides with the principles and philosophy of the General Agreement

is the fact that in the same year and practically at the same time as its negotiations were carried out, it achieved, unilaterally and without asking for special counterparts, a substantial reduction of its tariff barriers. The reform carried out last March meant a decrease of about 50 per cent in the arithmetic mean of customs duty. And I must add, with satisfaction, that the new tariff is the only trade regulating instrument at present applied. With the single exception of a few items under Chapter 87 of the BTN my country does not apply any prohibitions or contingencies or exchange restrictions or any other regulation than that which is the result of the operation of price mechanisms to influence the free decision of importers in respect of the commodities which they wish to acquire abroad.

These circumstances allow us to consider, with some objectivity, that the Kennedy Round is a junction point between the past and the future of GATT. We believe that its results clearly show the sectors and aspects in which the trade mechanisms are efficient and those others which will require a special effort and an imaginative and unprejudiced outlook in order to get positive results. We cannot avoid being concerned by the recrudescence of protectionist tendencies which were so clearly revealed immediately after the end of the Kennedy Round, and we are sure that the best way of getting rid of these threatening signs would be to implement the results of the negotiations in the shortest possible time, and, in particular, to put them immediately into force in cases of special interest for the developing countries.

As I said a moment ago, we feel that we are rightly entitled to ask for immediate definite action to adjust the para-tariff and non-tariff barriers which threaten to endanger the expansion of international trade. We have expressed our concern at the fact that, in the last few months, many of the countries trading with Argentina (including some of the most developed) proposed transactions which, in new forms, are basically the same as those which prevailed in the years when GATT began its work. We should be very sorry if the difficulties of placing our exports led us into the temptation or necessity of falling back on expedients which we thought had already been finally eliminated from our practice in foreign trade.

To avoid this, we feel that two of the subjects which have come in for the closest attention in recent times - trade in agricultural produce and the solution of the problems of interchange between the developing countries, which are so closely inter-connected - should pass urgently from the stage of descriptive study to that of concrete action. We are pleased to note how much importance has been given to these two subjects in the discussions of the last few days. We would forthwith express Argentina's intention of fully co-operating in this task which, although it presents undeniable difficulties, also gives hope of reaching, by common effort, solutions which will mean a basic change in the conditions of international trade and the possibilities of welfare and progress of hundreds of millions of human beings.

We would most emphatically propose that an effective and concrete programme for the attainment of these objectives should be immediately undertaken.

If the efforts which can and should be made under the auspices of GATT can be smoothly co-ordinated with those that are being developed in UNCTAD from slightly different angles, it will be possible, much more quickly than might have been expected, to achieve the results which all countries are unanimously striving for, even though there may be slight differences of approach.

This is a difficult task but it opens wide horizons; the figure of our Director-General will, in this respect, be a stimulus and an example for us. Eric Wyndham White is a living witness of what can be achieved by imagination, patience and perseverance applied systematically to problems at first sight insoluble. We are very grateful to him and should like to hope that for many years to come the CONTRACTING PARTIES will be able to rely on his advice and guidance in order to face the new tasks before us.