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Statement by the Representative of Poland,
on 14 November 1967

The ministerial representative of my country will probably wish to address the CONTRACTING PARTIES on the occasion of the twentieth anniversary of the General Agreement, and also to refer to certain problems arising for us following our accession to GATT, and define our position on certain important items on the agenda for this session.

I shall therefore limit myself to item 3 of the agenda, that is to say to the Director-General's important and imaginative suggestions regarding work to be undertaken either in the near future or at a later juncture.

We are now faced with two opposing tendencies. On the one hand, a certain weariness after the great and fruitful efforts made during the Kennedy Round, a weariness that endeavours to find shelter behind the formal acknowledgment, which is certainly valid from the legal point of view, that this great endeavour is over and that new legal instruments will have to be formulated if the campaign undertaken by GATT since its programme for expansion of international trade was launched in 1958, is to continue with renewed vigour. On the other hand, a strong feeling that the intellectual and technical effort made during the Kennedy Round has been crowned with success, but that there is still a need for action in the various sectors, particularly if one considers the growing interdependence of world trade.

This feeling of some frustration is particularly prevalent among representatives of countries which have admittedly gained much from the "fall-out" effect of tariff reductions agreed to between the major trading partners, but have not yet found solutions to their own preoccupations. With your permission, I should like here to draw attention to a question raised by the Ambassador of Argentina, in particular the problem of sub-headings in individual tariff items, which is of major importance for many countries supplying a narrow range of well-defined products.

To revert to the suggestions made by Mr. Wyndham White, the idea of eliminating very low duties that are not of a protective character and can be considered as being only of nuisance value deserves consideration. Account will have to be taken here, of course, of the problem of the protection inherent in certain low duties, and in addition of the possible difficulties of another kind which have been referred to in this connexion.

As regards another of the ideas put forward by the Director-General - free trade in individual sectors - this would in our view have to be phased over several progressive stages (although in certain sectors valid solutions could be arrived at in the immediate future). We have in mind, for example the sulphur sector - not only crude sulphur, but also sulphur in all its forms.

In other cases it would perhaps be useful to prepare the more distant future. I have in mind the whole sector comprising energy-producing raw materials, and in particular coal. We are all well aware of the great difficulties existing in this field, for example in Western Europe. We know that the European Coal and Steel Community - established by the Paris Treaty at a time when there was a coal shortage - has since 1958 been going through a period of more or less acute crisis, but it might perhaps be of interest for a GATT working party to consider the problem and study it more closely from the aspect of international trade. It may find that there is nothing to be done in the immediate future, or even in the near future, but its findings might be useful for a more distant future.

Our particular interest is in trade in agricultural products. We appreciate the reticence of certain industrial countries which feel that in any negotiations for the elimination of barriers to international trade in agricultural products, they would be exclusively in the position of giving without receiving anything in return. May I say, however, that such a viewpoint may perhaps be due to misgivings resulting from the actual negotiating techniques, whereas if one envisages matters from a more general angle one finds that it is not warranted, even from the aspect of the interests of these highly-industrialized countries.

The Australian representative reminded us the other day of the disparity that has developed in the rates of expansion of international trade in industrial products and in agricultural commodities. But that is only one of the disparities that exist. There are others that are also apparent, at both national and international level. For example, there are signs of under-consumption of agricultural products in countries that are among the wealthiest in the world. To cite only one example, per caput consumption of meat in certain West European countries is lower than in Poland, although their per caput income is higher than ours.

This under-consumption of agricultural products in the wealthy countries is the result of artificially high prices that are reflected in an increase in the cost of living, a rise in production costs, and creeping inflation.

I am not in any way suggesting that all the difficulties that arise here and there are the result of distortions, in the approach to international trade, as between the industrial sector and the agricultural sector. It is obvious, however, that in the long term one cannot be liberal in the first field and ultra-protectionist in the second. Only recently, Federal Councillor Schaffner condemned quantitative import restrictions on industrial products as constituting an erroneous commercial policy that he equated with the stone age. It seems to us that, taken as a whole, international trade in agricultural products encounters difficulties because of methods of approach that do not correspond to present-day needs and that, to some degree, can also be equated with the stone age.

This state of affairs is all the more disappointing because, as you will recall, the Kennedy Round was the first major round of international negotiations to include agricultural products, and because of that fact great hopes were placed in it. Admittedly, an important agreement on wheat was concluded. But if one considers the tremendous intellectual effort made to find equitable solutions, the host of statistical information and various data produced just in the three Working Parties established to consider, for example, the European Economic Community's proposal that the discussion should be on the basis of support margins - considering all this, the result cannot but seem disappointing.

It would surely be useful to carry on in other forms the work of these three Working Parties, and in particular to try to reach a satisfactory conclusion in the work of the Group on Meat and the Group on Dairy Products.

Trade in agricultural commodities is not, however, limited to products within the purview of these three Working Parties. Even while the Kennedy Round was in progress a tendency emerged that was contrary to that existing, for example, in the European Free Trade Association. Within EFTA, certain agricultural products have been assimilated to industrial products to facilitate free trade. During the Kennedy Round a contrary tendency developed: the list of industrial products was limited by calling some of them agricultural products.

There is one problem of particular interest to us in the agricultural sector, though rather from the regional - European - aspect than from the general aspect. I refer to the treatment of secondary agricultural products which, at least hitherto, have not been within the scope of agricultural policies designed to increase the income of farmers or of quasi-agricultural industries in the highly industrialized countries. It would be of great importance to us to know that

it might be feasible to lower protectionist barriers for such secondary products, or at least to bind existing duties where protection is relatively less substantial. This would enable us, for example, to restructure our agricultural exports without undermining agricultural protection in certain highly industrialized countries.

This brings us to support Mr. Wyndham White's idea that it would be useful to revitalize Committee II of GATT but - and here we concur with the Australian representative - with a specific objective. One marginal comment: it might perhaps be a good thing to change the name of the committee, and frankly call it the Committee on Agriculture.

Closely related to agriculture is another problem that is developing in markets and has repercussions on prices. The problem is real and is slowly gaining in importance, but so far as I am aware it has not yet been taken up by any international organization. I have in mind the problem of natural agricultural products as opposed to products of the quasi-agricultural industry. For instance, everyone is well aware of the difference in the taste as well as in the price of a free-running chicken as compared with a broiler. There are many other examples. The problem is one of the differences between products that bear the same name, often have the same external characteristics, but in actual fact are different. There are institutions engaged in safeguarding the names of industrial products, but there are no institutions that would protect natural agricultural products against invasion by products of the quasi-agricultural industries. Apparently this is not a problem that would fall within the context of the work of GATT, but one might perhaps be able to consider it as touching on the work of the Committee on Agriculture. The matter is an important one for countries which are and will remain, at least for some time, exporters of natural agricultural products.

Passing to another subject, we also attach great interest to Mr. Wyndham White's idea of inventorizing non-tariff barriers. It seems to us that they are growing in number.

In conclusion, I should like to stress that I have confined my remarks to a few problems arising from this vast and very important programme of collective effort that the Director-General has proposed. We shall revert on a later occasion to other problems that are no less great, nor less important for us, in particular the problem of the trade of developing countries.