

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## REVIEW OF THE WORK OF THE CONTRACTING PARTIES AND FUTURE PROGRAMME

Statement by H.E. Mr. K. Willoch, Minister  
for Commerce and Shipping of Norway  
on 23 November 1967

Preceding speakers have paid highly justified tribute to the General Agreement, to the CONTRACTING PARTIES as a collective body, and to our distinguished Director-General for their very important contribution towards liberalization of trade, and to the development of orderly commercial relations between our nations. Speaking on behalf of a small industrialized country, heavily dependent on international exchange of goods and services, I can today only rejoice in the confidence expressed in the General Agreement, in the continued support given to its objectives and provisions, and in the appreciation of the working methods and techniques developed by the CONTRACTING PARTIES.

The Director-General and his very able staff have indeed deserved the praise and laurels rightly bestowed upon them. Our gratitude can best be expressed in renewed determination on our part to prepare and pursue further advances, directed towards liberalization and constructive co-operation in the trade field, worthy of the aims and objectives to which the Director-General and his collaborators have so faithfully dedicated themselves.

The Kennedy Round has been lauded as the most comprehensive and successful trade negotiations ever undertaken. We agree, although there were sectors where the results were disappointing to my country. Today, it is one of our most important duties to implement the far-reaching concessions negotiated during the last four years, and at the same time safeguard against risks of impairing or jeopardizing, through other measures, the results achieved.

The co-operation developed over the twenty years within the framework of the General Agreement, and in particular the impetus gained during these four last years, have a built-in dynamism. To preserve this dynamism, we must be willing to undertake renewed efforts to ensure the fulfilment of the aims and objectives we subscribed to in 1947 and in 1958. If we do not realize this necessity of action, and the dangers inherent in inactiveness, we may one day find ourselves in a situation where we have to counter much stronger activities

and pressures in protectionist direction. Seen in this perspective, Mr. Chairman, the world-wide trade liberalization so far obtained should be considered as a part and parcel of a constant and relentless effort towards the attainment of the long-term objectives, defined in the General Agreement, and in the Programme for Expansion of International Trade.

The Norwegian Government is prepared to take part in new negotiations to this end. We realize, however, that any new major initiative directed towards a multilateral and comprehensive move forward, would take some time to develop. Nevertheless, we should already now proceed to prepare for decisions to be taken when the time is ripe.

Norway for her part, therefore, supports the proposal to go ahead with a comprehensive and objective analysis of the tariff situation as it will appear after the Kennedy Round concessions have been put into effect. The purpose must be to proceed on a thorough examination of tariff structures in the various countries and groups of countries, and in different sectors and industries, with a view to establish to what extent international trade is thereby hampered, and how we can best tackle problems thus identified.

One approach might be to examine opportunities for substantial liberalization of trade in commodity sectors, where the economic conditions and the pattern of production are favourable.

In this connexion we should not forget sectors where only modest progress was achieved in the Kennedy Round. No one should be surprised that I mention fish and fish products. Apart from a few welcome exceptions, I think the results in this sector were disappointing. Among other sectors in which thorough studies may prove particularly useful, I would like to mention aluminium and paper and pulp.

The idea to eliminate low tariffs as such has also been floated. We should gladly accept such a suggestion. However, experience gained during the Kennedy Round shows that not all low tariffs are of nuisance value only. For low tariff countries there is also a question of reciprocity to take into consideration. But to the extent advances can be made in this field, Norway is prepared to contribute.

Furthermore we support fully the proposal to establish an inventory of non-tariff barriers to trade to serve as a basis for a subsequent examination by the CONTRACTING PARTIES. As tariffs go down the protective effect of non-tariff measures and the temptation to introduce new ones, grow stronger.

My Canadian colleague in his very interesting speech of yesterday stated that attention must be given to domestic industrial programmes that have effects similar to high tariffs in that they seriously distort the efficient allocation of resources. Small countries, Mr. Chairman, have limited possibilities to compete with greater and richer trading partners in applying non-tariff measures such as State aid and governmental subsidies. This question is therefore of paramount importance to Norway.

I should like to associate myself with previous speakers - and in particular with my Nordic colleagues - who have stressed the need for dealing progressively and constructively with the urgent trade problems confronting the developing countries. We for our part are prepared to take part in any programme to that effect. The pragmatic working methods hitherto applied in GATT, should be well suited for concerted action with a view to increase the export earnings of developing countries in fulfilment of our obligations under the General Agreement, including Chapter IV.

We will take great interest in the important discussions that will take place in New Delhi next year, concerning the possibility of granting special tariff advantages to developing countries. However, while working with that important question, we should in no way reduce efforts to secure better access to markets for commodities from the developing countries, through liberalization of the trade on a most-favoured-nation basis as well. We believe it is important eventually to see special tariff measures of that kind as a part of wider efforts towards the fulfilment of the objectives of the General Agreement and the aims of the Programme for Expansion of International Trade.