

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## EXPANSION OF INTERNATIONAL TRADE

Statement by Mr. A.S.K. Hartogh (Netherlands) on Behalf of the States Members of the European Economic Community During the Debate on the Report of the Third Committee in the Plenary Meeting Held on 14 November 1960

At the fifteenth session of the CONTRACTING PARTIES, the representative of Italy, then acting as spokesman of the Six, pointed out how desirable it was for members of the Third Committee to try to conduct their proceedings in a spirit of co-operation and goodwill, by avoiding the adoption of theoretical attitudes liable to create differences of opinion and, rather, seeking out the concrete factors of a possible solution of the problems confronting the countries in the process of development.

In taking the floor today as the present spokesman of the Six, I must admit that the Committee has made a considerable effort to follow the course indicated by my Italian colleague.

In particular, the fourth report of the Third Committee, submitted to us at this session, seems to mark definite progress, although it does not embody any decisions properly so called.

I should now like to make a few brief comments, without aspiring to cover all the subjects dealt with in this excellent document.

I shall begin with the studies hitherto made on the two series of products. In the course of these studies, the countries in the process of development raised three categories of problems, namely, quantitative restrictions, tariffs and internal revenue and fiscal charges.

I shall comment first on the third problem, on which opinions are still considerably divided. While not wishing at this stage to reopen in plenary meeting debates which, being technical, are better dealt with in a small working party, I should like merely to describe the form in which this question arises.

The position is not that certain industrialized countries, though recognizing the justice of requests of the developing countries for lower fiscal charges, decline to accede to these requests. Rather, it is precisely the legitimacy of these requests which is in dispute. Certain countries question the reality of the value which the measures asked for would have for the developing countries themselves.

I shall now turn to the other two questions, concerning which some more positive considerations are permissible.

Our point of view with regard to tariff questions will be made known to you by the representative of the Commission of the European Economic Community.

So far as quantitative restrictions are concerned, it should be noted that for some time all the industrialized countries have been going ahead with liberalization measures, with the firm intention of carrying the process to its logical conclusion, in the light of prevailing conditions. While there are still some "laggards", the reason for this is that they started the process of liberalization much later than other contracting parties concerned.

I shall now comment on the second part of the report, concerning the future work programme of the Committee. I should like to say from the outset that my colleagues in the Community and I have read with great interest the passages of the report, and the paragraphs of the note submitted by the developing countries, concerning the development of new sectors of production, the improvement of trade techniques and the possibility of intensifying the relatively less-developed countries themselves.

I am not, I think, telling you anything new when I say that the substantial development of trade and a genuine improvement in the position of the developing countries will not follow from the increase of exports of traditional commodities alone. Production will have to be diversified and other export sectors developed.

From this point of view, the studies of the possibility of guiding the expansion of the existing industries and the development of new industries in such a way that the developing countries can become economically efficient producers strike me as particularly interesting. I realize that these studies will not be easy, and at future meetings of the Committee all the members will have to make a conscientious effort to prepare themselves for such studies. In this connexion, I should like to refer to the excellent summary of this problem submitted by the Executive Secretary at the Committee's third session in March 1960.

Last but not least, I wish to say a few words on paragraph 10 of the note submitted by the less-developed countries. We see that these countries are rightly paying increased attention to a new aspect of the problem, that of the development of intra-regional trade. I want to stress straightaway that there should be no misunderstanding on this point: the development of trade between the industrialized countries and the developing countries naturally remains a main purpose of the Third Committee's work; but we are particularly pleased to see that this second branch of expansion of trade among the developing countries is not being ignored.

In most cases, the development of trade among countries belonging to the same region can contribute significantly to stimulate investments and production, not least in countries which do not possess a large domestic market. As regards the actual methods which might be employed to promote this development of intra-regional trade, I think that this is precisely a subject on which the Third Committee can do some very useful work, and in this work the States members of the Community are prepared to co-operate fully.