GENERAL AGREEMENT ON TARIFFS AND TRADE
Ninth Session of the Contracting Parties

Speech by the Hon. Sir Malcolm Barrow, Minister of Commerce and Industry of the Federation of Rhodesia and Nyasaland, delivered in plenary session on 9 November 1954

During the last week the representatives of the Contracting Parties have heard a good deal about the establishment of the Federation of Rhodesia and Nyasaland and the problems arising therefrom in relation to the General Agreement. On the whole they have shown a sympathetic understanding of these problems which is much appreciated by my government.

When the Contracting Parties adopted the declaration relating to the Federation ten days ago, the Federation became the latest member of this company but we have actually been identified with the other contracting parties since the start. Southern Rhodesia was represented in the early days at Havana and Geneva and was an original signatory to the General Agreement while Northern Rhodesia and Nyasaland have had an indirect interest through the United Kingdom. We are therefore no strangers to the intricacies and problems related to the Agreement and particularly to the fact that it has throughout its existence been operated under abnormal circumstances, notably by reason of post war adjustments and recurring balance-of-payments difficulties. The economic recovery which has taken place in all countries and the prospect of a fairly rapid advance towards a fully multilateral system of trade and payments now makes the review of the General Agreement, which was never devised as a permanent instrument, an urgent necessity. Most countries have come to appreciate the necessity of a set of rules governing fair international trade practices and the codification of those rules is the object of our meeting.

My own country gladly participates in this task, and my delegation will do everything in their power to assist in bringing these important deliberations to a successful conclusion. We shall take an interest in all aspects of the matter, and more especially lend our support to measures designed to facilitate the re-establishment of a multilateral pattern of world trade.

It is a pity that, under the stress of balance of payments difficulties, quantitative restrictions should have become so fashionable and so general that many countries and many industries can no longer imagine a world without them. This has developed an unhealthy outlook in that reasonable competition has been stultified, and, as we proceed, as we must, to dismantle our import restrictions, we will find many industries ill-equipped against the blasts of competition from which they have been so warmly insulated for many years. This raises special economic and social problems for many countries, to which the Contracting Parties must have sympathetic regard during the weeks ahead.
Rhodesia and Nyasaland have generally kept their import restrictions to those dictated by balance of payments consideration, and have tried to ensure that there should be the widest possible range of fair competition. In the result our restrictions have had a discriminatory effect, which I realise has been regarded with concern especially by our non-sterling friends. However, we are more than willing to buy from the countries which buy from us, and I would only say at this stage that in the freeing of trade, whether by relaxing quantitative restrictions or lowering tariffs, we are unlikely to make much progress unless there is full recognition of the fact that this must be a reciprocal operation. We for our part recognise very clearly the need for lowering trade barriers and particularly for eliminating quantitative restrictions, and as convertible currencies become more the rule than the conception, we expect to take a full share in that expanding world economy which is so vital to the progress of humanity.

But, because we are one, we recognise also that the underdeveloped countries have peculiar problems in this field. If they are to develop their natural resources so that they can absorb increasing populations and become adult members of the international community, their industries, both primary and secondary, require special measures of encouragement during their early years. It must be remembered that these are the countries which require capital investment on a colossal scale, that they are not at the stage at which they can find more than a small part of that investment within their borders, and that they have therefore to look to the more highly developed countries to take a share and a shareholding in their development. Investment enterprise, while willing to take risks, will obviously not take unreasonable risks, and therefore wishes for some businesslike assurance of a reasonable return. The special measures which have to be adopted are quite often dictated by this consideration and so designed to facilitate an expansion of the investment pattern which again is essential to world economic progress.

The revised General Agreement must therefore, in our opinion, take special account of this problem and provide full opportunity for the underdeveloped countries to take short term measures which, though apparently contrary to the purposes of the Agreement, will in the long run, as the economy of those countries develops, make them strong enough to withstand competition from the older industries and play their full part in this world of multilateral trade which is our objective.

While firmly determined to support a code of trade rules, we recognise that more harm than good can come from undue rigidity. It is essential that the provisions of the Agreement should be flexible and that it should enable sympathetic treatment of specific problems which are likely to arise. The waiver procedure in the existing Agreement was designed to meet this purpose and we would welcome similar or better provisions in the new Agreement.

We feel also that the new GATT must be shaped to fill the need which the Havana Charter was designed to meet. It follows therefore that its scope should be expanded so as to enable the Contracting Parties to deal with all matters relating to international trade and not be confined as at present to an important but restricted sphere. The adoption by the United Nations Economic and Social Council of a resolution setting up a commission on
international commodity trade indicates the danger that a multiplicity of international organizations may become established to deal with closely related matters. In our opinion the GATT parties are likely to be the most suitable parent body of such a commission and it is comforting that ECOSOC should have decided to review its resolution in the light of the discussion which is to take place during this review session of GATT.

But if GATT is to extend its field - indeed whether it extends it or not - it seems that the present interim organisational arrangements should not be perpetuated. The time has come to establish the organization on a permanent basis and this is a matter in which we will take a particular interest.

Finally, I should like to say that one of the attractions of GATT is that it deals with practical things and so the deliberations of the representatives of the contracting parties are seldom if ever conducted in a haze of economic or political theory. That sense of hard practicality must be maintained in the new Agreement. There are obvious limits beyond which national interest will not surrender to international interest, and if GATT is to be an acceptable instrument to countries which share in more than four-fifths of the world's trade, it must discard the academically or theoretically desirable for what is likely to be practicable.