GENERAL AGREEMENT ON TARIFFS AND TRADE
Fourth Round of Tariff Negotiations

Statement made by Baron C.A. Bentinck, Director of
Foreign Economic Relations of the Kingdom of the Netherlands
at the public session on 19 January 1956

It is with mixed feelings that I take the floor to say a few words. On the one hand it is always a pleasure to be present at a GATT gathering under your able chairmanship and to renew the acquaintance with colleagues from previous sessions. It is with good reason that GATT meetings have the fame to yield good results in a business-like and friendly atmosphere. But on the other hand I have some feelings of uneasiness about the coming events.

As to our intentions and objectives with respect to the present conference I do not think it necessary to enlarge upon all the arguments which we, together with other low tariff countries have set out at previous occasions in connection with plans for tariff reduction. The subject "tariffs" has run as a red leading thread through many GATT activities during the last years. But more than ever during these last months when preparing our documentation we are strengthened in our conviction that in the matter of our greatest concern, namely the tariff disparities, substantial progress could only be made if other methods than bilateral negotiations were applied.

For all of us around this table, it would have been very instructive when we should have had the opportunity to be present at the hearings, which most of us will have had with their business circles. The hearings in our country have in particular been a colourful illustration of the disparity problem. I cannot count the times that the interested parties, when asked whether there were objections against reduction, answered: "Why should we offer a tariff concession on this item; the tariff rate in the countries around us is substantially higher".

More than ever before we were aware after such a hearing that only a general attack over a broad field on this disequilibrium in the degree of tariff protection could solve the problem. The industries in the high tariff countries actually enjoy a double advantage in this respect: they have an assured home-market and at the same time they have only a moderate duty to overcome when exporting to our country. This really seems a rather unfair competitive position for our industry and we hope that this will be more and more recognized in the high tariff countries. As everybody here knows we are convinced that the best way to improve this situation is through the adoption of a general plan, such as the GATT plan providing for an important degree of automaticity.
It is of course very disappointing that, for the time being, we have not made more advance towards a more ambitious approach in solving the tariff problems. It has, however, been decided that these ideas be taken up later.

In the meantime the low tariff countries have been able to find already some more understanding for their particular problems and the old rule of the binding of a low duty being equal to the reduction of a high duty, has been somewhat elaborated. We must, I am afraid, insist that an extensive use be made of the new rules which had been drawn up in view of the special position of the low tariff countries. The success of the conference seems to depend to a large extent hereupon.

It has often been said that the United States are primarily responsible for the standstill in this field during the past years, caused by the lack of further congressional authority for renewed tariff negotiations.

In our view this is only partly true and it is certainly an overstatement. We feel that important things could have been done even without U.S. participation and e.g. in the OECD on a regional basis. But even if we may put to a certain extent the blame for inactivity in the last years on the U.S. may we than now, in exchange, present in the first place to the U.S. delegation our expressions of satisfaction that we are finding here, and now a new opportunity for action. The full participation of the U.S. in all activities emanating from our organization is of course of the utmost importance and for this reason we sincerely hope - and I am new thinking of GATT activities in general - that the U.S. membership in the OTC will soon be ratified.

We have arrived here, as I have already said before, with mixed feelings. We have come primarily because we do not wish to remain absent from any discussion even if there would only be a remote possibility of mutually advantageous tariff reductions. We have arrived here with the desire to help you and our fellow participants in bringing these tariff negotiations to a satisfactory conclusion.

In presenting together with our Benelux partners a consolidated list of offers we are putting our cards on the table. We are prepared to play our role but before granting the concessions summed up in our offer list, the Benelux governments will have to investigate carefully and in detail the importance of the offers of third countries for the Benelux exports and in particular the offers of the high tariff countries. I may furthermore draw attention to the fact that in some cases we have indicated that the binding or reduction of a certain item is only possible on a multilateral basis which means that only if other contracting parties are prepared to reduce their rates for that same item, we from our side are willing to do something.

Before coming here I have once again gone through the summary records of the Torquay conference and to my great concern much of what has been said from the side of the low tariff countries during the opening session at
Turkey could be repeated today. It is not very encouraging to notice that five years of continuous pleading for the good course of the low tariff countries has yielded such limited results.

But perhaps it is better to enter this fourth round with very modest expectations and to wait for the outcome rather than to start with high pitched hopes and the risk of a cold shower at the end.