GENERAL AGREEMENT ON TARIFFS AND TRADE
Fourth Round of Tariff Negotiations

Statement made by Dr. H.E. Priester, Economic Adviser to the Secretariat of Industry, Banking and Trade of the Dominican Republic, at the public session on 19 January 1956

We have been listening with great interest to the declarations of the various delegations and we are now full of hope that this Conference will be another milestone in the history of tariff conferences under the auspices of GATT, although the scope of these negotiations is limited.

The Dominican Government decided to take part in this Conference although we recognized that our country is faced in this Conference with some specific problems which have not been solved during the recent review of the Agreement and which are due to the structure of the Dominican economy, which is an incarnation of an export economy of an underdeveloped country.

The most obvious feature of an export economy of an underdeveloped country like the Dominican Republic is that exports and imports respectively assume the roles that in an "investment" economy like that of the United States are played by investment and saving. Exports rather than investments are the main generating force in the national income, imports rather than savings represent the main leakage from the income stream. This implies that our country despite its small size has a tremendous stake in world trade and consequently is a strong supporter of GATT and all that it stands for.

We believe faithfully in the GATT's basic principle of non-discrimination in international trade and what is even more, we practise those principles 100 per cent.

Quantitative restrictions on imports or problems of convertibility are unknown to our economy. We import freely manufactured and semi-manufactured goods from all over the world without any discrimination whatsoever. The function of our tariff is purely to provide revenue for the Treasury which has not yet found itself in a position to shift fully from indirect taxation to a general income-tax system.

But in order to give you the other side of the picture, I have to confess that our economy is greatly hampered by quantitative restrictions imposed by many countries on our few basic agricultural staple products. This naturally creates serious problems in international trade for us, as we are not able under the rules of GATT to retaliate. We cannot apply quantitative
restrictions for balance-of-payments reasons, since we have a sound economy at par with the dollar. We cannot apply for waivers for agricultural protection since we do not need agricultural protection and we cannot barter away preferential duties since we have none.

In these circumstances our bargaining position in tariff negotiations with industrialized countries is impaired. This bargaining position is, however, seriously reduced in tariff negotiations with those industrialized countries which apply quantitative restrictions against the main export items of our economy. The industrialized powers usually make full use of the right established in the rules for multilateral tariff negotiations to insist on concessions on a strictly reciprocal basis for their manufactured goods and farm products without considering the incidence of their quantitative restrictions on our export economy.

It is our considered opinion that the GATT principles of equivalent concessions should be based on the assumption that there exists the same over-all equality of opportunities in trade between the countries negotiating tariff reductions. If this is not the case, mathematically equivalent concessions should not be asked for.

The problem we are faced with is somewhat similar to that of the low-duty countries in dealing with high-duty countries.

We know as well that time is not yet ripe for a fully satisfactory solution of our problems. But we entertain the hope that the Tariff Negotiations Committee will take into account the problems of an export economy subject to extensive quantitative restrictions for its main export products.

In this expectation the Dominican Republic has decided to take part in this new round of tariff negotiations and will co-operate fully with the other GATT nations in their endeavour to come to a new reduction of barriers to trade.

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