GENERAL AGREEMENT ON TARIFFS AND TRADE

Thirteenth Session of the Contracting Parties

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At this stage I merely wish to offer a few general observations on one
of the main findings of the Panel of Experts.

The Panel, in its Report, has shown that the export earnings of primary
producing countries are being adversely affected by the policies of agri­
cultural protectionism pursued by some of the highly industrialized countries.

The Panel's findings on this point merely serve to confirm earlier
expressions of concern by certain contracting parties about the extremely
harmful influences exerted on their economies by the agricultural protective
policies of certain industrial countries and about the serious repercussions
which these policies may have on world trade.

The opening plenary debates of this Session have been marked by renewed
expressions of anxiety about the spread of agricultural protectionism as a
major factor impeding the growth of world trade and sustained economic
expansion in the primary producing countries, and there have also been renewed
appeals for urgent action by the CONTRACTING PARTIES to deal effectively with
what, it has been suggested, has become an issue of major importance in our
pursuit of the objective of freer trading conditions to which all of us have
subscribed.

As a producer and exporter of primary commodities South Africa is, of
course, vitally interested in any action that may be decided upon within the
framework of GATT to stem the tide of agricultural protectionism, and the
South African Government would be happy to collaborate with the other con­
tracting parties in a detailed examination of what undoubtedly constitutes
a problem of great importance and complexity.

I suggest, however, that in our approach to the problem we should bear
in mind the following considerations -

(1) Firstly, we are confronted here with a problem which is not
solely the product of harmful policies of agricultural protection
pursued by certain industrial nations, but one which stems from
action taken on an almost universal basis and which accordingly
can be solved only by corrective measures of world-wide application.

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(ii) Secondly, the difficulties created for primary producing and exporting countries by the agricultural policies of certain highly industrialized nations are not a new phenomenon. The problem has been with us for a long time, and I need, at this stage, merely recall the numerous unsuccessful international attempts which were made during the years between the two world wars to reach agreement on practical methods for arresting the spread of agricultural protectionism. I do not wish to suggest that, where others have failed, we should not persevere in our efforts to find a practical solution to the problem before us. But I do submit that our approach to the problem should take into account the historical background of what is undoubtedly an exceedingly complex subject.

(iii) This brings me to the third point I want to stress, namely, that the methods used by countries to protect their primary industries have been developed over a long period of time and, to the extent that these methods are regarded as objectionable in terms of the principles and commitments to which the contracting parties individually have subscribed, cannot be changed in a relatively short time without engendering social and other disturbances which may, in the end, well prove to be more disruptive of world trade than the objectionable forms of protectionism which are now arousing so much concern.

(iv) The fourth point I wish to stress is that what is apparently at issue here is not so much the fact that individual contracting parties, for a variety of reasons, find it necessary to protect their primary producers, but rather the methods and policies employed by them in giving effect to the need for such protection. It has also been suggested that some of the methods and policies employed for this purpose constitute an infringement of the rules of GATT, and that these infringements have assumed rather extensive proportions in the sense that they are not merely confined to a few contracting parties but involve action by a fairly large number of countries represented around this table.

The procedure of "confrontation" on agricultural policies proposed by the Australian delegation in the earlier stages of this general debate will, if implemented in a realistic and effective manner, no doubt show whether there are grounds for contending that the rules of GATT are being infringed on a fairly extensive scale insofar as the agricultural protective policies pursued by individual contracting parties are concerned.
I suggest that if, as a result of the implementation of the "confrontation" procedure suggested by Australia, it should appear that many of us are in default of our GATT obligations insofar as our agricultural policies are concerned, we should ask ourselves what are the reasons for the inability or unwillingness of so many of us to follow the rules to which we have subscribed. We should also examine whether any large-scale breaches of the rules, if shown to be in existence, are not perhaps due to the fact that the rules, in their present form, are simply not capable of being rigidly applied to the trade in primary commodities, and accordingly are in need of revision or supplementation in order to bring them into conformity with the realities of the special circumstances and problems affecting primary production in many countries.

I suggest that these are points which should receive the careful consideration of any working party that might be established to carry out the proposed process of "confrontation" on agricultural policies. But let me add immediately that South Africa would not for one moment wish to suggest that the trade in primary commodities should not be dealt with by means of rules of universal application, or that contracting parties should not subject their agricultural policies to restraints and principles of discipline under the General Agreement. What we do feel, however, is that these restraints and disciplinary principles should be such as to make them capable of universal application, and that they should conform to the realities of the special circumstances which affect the production of, and trade in primary commodities. In other words, we accept the fact that it is obviously desirable to legislate against sin, but we also suggest that legislators should take account of the realities of life and should not pursue their campaign against sin in a manner which will make potential criminals of all honest men.

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