GENERAL AGREEMENT ON TARIFFS AND TRADE

Meeting of Ministers

STATEMENT MADE BY MR. W.P.H. VAN ORSHOT,
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REPRESENTING THE MINISTER FOR ECONOMIC AFFAIRS
OF THE KINGDOM OF THE NETHERLANDS, ON 28 NOVEMBER 1961

First of all I should like to join those previous speakers who have expressed their admiration for the work of Mr. Wyndham White, who during all the fourteen years of GATT's existence has done so much to make GATT as effective as circumstances would permit.

The Netherlands being an active partner in the European Economic Community, an undertaking which we are convinced will turn out to be in the interests of all countries, my brief remarks are additional to those made previously by the representative of the Federal Republic of Germany who spoke on behalf of the six member countries.

The brilliant interventions to which we listened yesterday and today, confirming what several Ministers have also expressed at the recent ministerial meeting held in Paris of the Organisation for Economic Co-operation and Development, have made it abundantly clear that GATT will provide the framework for future international trade policy. The interests of the less-developed countries have been paramount in the discussions in Paris and here. The legitimate expectations of the less-developed countries and of the world at large must, therefore, be met in some way lest the distinguished representatives gathered here go home without tangible results. The Netherlands Government, therefore, feels that the clearest possible guidance to the Board of our organization and leading to the solution of various problems is necessary; two lines of approach appear to impose themselves.

In the first place a vigorous effort should be undertaken with all the technical means at the disposal of GATT to eliminate or reduce remaining barriers. This action could best be undertaken through the appropriate technical organs of GATT, namely Committee III and Committee II. However, we should not be dogmatic about the particular forum where solutions are sought; we should use that forum where the best results are obtainable. Maximum co-operation with other organs coping with related problems, for example, the FAO and UN, is therefore required. In this connexion the proposal of Mr. Baumgartner supported by Mr. Brasseur concerning the methods of dealing with the problems confronting certain commodities deserve serious reflection.

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Much attention will have to be given to methods aiming at diminishing protection given to agricultural producers in the developed countries and at reducing barriers against imports of both industrial products and tropical agricultural produce from less-developed areas. At the same time, market disruption should be avoided. The end result should be a framework for healthy international competition.

The Netherlands Government in general endorses the conclusions and recommendations put before us by Committees II and III. Committee III should continue to examine the barriers facing specific export products of less-developed countries, concentrating on key items. In this connexion Committee III may wish to continue with the examination of long-term economic development plans of the less-developed countries.

Inevitably, the work of the GATT in this area touches on what is commonly referred to as commodity problems, especially the elusive question of "instability of commodity prices". Commodity agreements have given some solace in this respect; they should be expanded in membership, improved in quality and concluded for new commodities wherever they hold out hopes for coping with the problem. Yet, examination of broader solutions, such as an insurance scheme against foreign exchange losses due to commodity price fluctuations, should be seriously studied in an appropriate international framework. Technical improvement of commodity markets, for instance, by eliminating regulations interfering with the smooth operation of future markets, should not be overlooked.

Decreasing barriers, tariff or other, to the industrial and agricultural products of the less-developed countries, means action to be taken by the developed countries.

This brings me to what I see as the second essential approach to these problems, to wit: the need for a public and political campaign inside the developed countries to permit the breaking down of those import barriers. To be successful, such a campaign needs two elements: firstly, the public, in particular, employers and workers, must be convinced that breaking down import barriers will in the long run serve their own interest. Secondly, employers and workers in the developed countries must be assisted in adapting themselves to the situation created by the elimination of import barriers. This assistance could take various forms. These forms could be examined internationally, especially in the framework of GATT, so as to avoid new forms of subsidy creeping in where old forms disappear. This whole process of re-adaption should be undertaken "with all deliberate speed" that is neither too hastily, nor too slowly.

In the light of such breaking down of trade barriers in the developed countries, the less-developed countries could be expected to concentrate on rational lines of production and to follow commercial policies which will bear the objective of increased world trade in mind.

I speak as the representative of a small country of which the liberal trade tradition is well-known. My plea for freer trade comes, therefore, naturally. I sincerely hope that GATT and its member countries will be able to meet the challenge of our time.