Obstacles to the Trade of Less-developed Countries

For a decade, the attention of many of the economically-advanced countries of the world has been focussed on the problem of providing assistance to the less-developed countries in their efforts to improve their standards of living and to advance their economies. As a part of this effort, very substantial capital sums have been made available, and a very substantial effort of technical assistance has been provided. I think, however, that in our emphasis on the provision of foreign assistance or capital for development purposes, we have failed to place adequate emphasis on the equally important problem of the provision of markets for the less-developed countries as they begin to move ahead in their development, and as they begin to increase their production not only of primary products, but also of simple manufactures.

My colleagues have just described to me the very powerful statement which the distinguished Minister for Commerce of Sweden, Mr. Lange, made a few moments ago, when I was unfortunately out of the room, with regard to the essential nature of the problem which we are facing in trying to find ways and means to assist in the problem of access to the markets of the world for the production of the less-developed countries. Three years ago, as has been mentioned here this morning, the GATT Ministers first took note of this serious problem. Since that time, it is possible to find some improvement in the export earnings of the less-developed countries. In spite of continuing adverse trends in commodity prices, there has been progress in diversification, there has been progress in expanding the volume of the exports of the less-developed countries. There have also been, and this is something which my own Government has recently begun to play a significant part in, increased efforts to deal with the problems of commodity prices and efforts to find ways and means of bringing a greater stability into those price structures. But I suggest that there has been wholly inadequate progress in terms of those measures which were principally recommended by GATT Committee III, that is, the relaxations of tariffs and of non-tariff measures which tend to impede the access of the less-developed countries to world markets. And so I would propose this morning that we take very serious account of this problem and that we try to find the ways of giving new impetus to a search for solutions.

The United States delegation has put forward a draft resolution which we commend to this body. In this resolution we set forth the reasons why it is necessary for us to seek a solution to the problem of finding markets for the less-developed countries. We suggest some guiding principles that might be followed by the economically-advanced countries in furthering this effort and we express the very specific responsibility which is the part of the economically-advanced countries in seeking such solution. The decision as to the procedures MORE
that should be established to develop concrete programmes of action is one which I think we must take very quickly. I would suggest perhaps, that Committee III might be asked to take steps and make recommendations that are necessary to strengthen our authority to follow this problem and to develop specific programmes.

I would like on behalf of my Government to express our interest in and our support for the proposal put forward by the Nigerian delegation. This is a proposal which looks toward the problem of access for tropical products specifically. It is quite consistent with some initiatives which the United States Government has itself taken in this field.

The problem of primary products is of course only part of the problem. Quite obviously, as countries move into the early stages of development, they are interested in the development of manufactures, and, as was suggested a moment ago, the production of cotton textiles is almost a classical example of a labour-intensive manufacture which is adapted to the resources of many less-developed countries. Last summer we had some experience in trying to find an interim solution to this problem, and as you know, the GATT is presently undertaking to guide a group which is seeking a longer term solution for the textile problem. In seeking that solution let me say that so far as the United States is concerned, we put great emphasis on the need for increasing access for the production of the less-developed countries. This will, I can assure you, be the guiding principle which the United States Government will follow in its work in this body. We have not only the problem of providing access for simple manufactures, we have the broader problem of dealing with the tariff questions so far as they affect the less-developed countries, and I think that here we have to be very clear that the principles of reciprocity which may govern the dealings between the economically-advanced countries may not be altogether as faithfully followed as in the dealings between economically-advanced countries and the less-developed countries. There is obviously room for some flexibility. Another aspect of this problem which I think we should all give some attention to is the question not merely of providing access to markets by the reduction or elimination of national obstacles in the form of tariffs, quotas or the other familiar paraphernalia of trade restriction, but there should be a very serious effort on the part of the economically-advanced countries to provide assistance to the export industries of the less-developed countries, to assist them to improve their production and, quite as important, to assist them in improving their marketing methods. On the part of the United States Government let me say that we are prepared to provide technical assistance in this matter, and we feel that this is a situation in which efforts of this kind can be very fruitful indeed.

Along with this goes the problem of assisting the less-developed countries to meet the sanitary requirements of the economically-advanced countries and to comply with the specifications and requirements which have been imposed by these countries for reasons of public health or similar reasons. Here again, there is a tendency on the part of some governments to use the sanitary restrictions as a restrictive device. I may say that this is something which the United States Government has tried strenuously to avoid and I would suggest that it is not a practice which should be continued by any of the governments.
These are only some of the problems which I think it is important for us to give attention to here this morning. Along with the development of markets for the primary production of the less-developed countries, we have, as I mentioned a moment ago, the problem of bringing some stability into the price structure. This also is something which should, I think, represent a co-ordinated effort on the part of the economically-advanced countries, and my Government is prepared to work very seriously on this matter through the appropriate agencies of the United Nations, the OAS, the FAO, and so on.

These represent a few of the comments which we would like to make at this point on this very important problem. We have as I say, put forward a resolution and I would hope that this body might give serious attention to that resolution since it seems to us to express some very useful ideas as to the appropriate ways and means by which this very important question can be approached.