GENERAL AGREEMENT ON TARIFFS AND TRADE

Meeting of Ministers

STATEMENT MADE BY MR. EDWARD GUDERMAN, UNDER-SECRETARY OF THE UNITED STATES DEPARTMENT OF COMMERCE AND CHAIRMAN OF THE UNITED STATES DELEGATION, ON 29 NOVEMBER 1961

Trade in Agricultural Commodities

One of the most difficult and fundamental problems facing us is that of trade in agricultural products. The time is long overdue for us to come to grips with this problem.

The challenge this problem presents to GATT is basic. What is at issue is whether countries are prepared to co-operate in their own and in the common interest.

While great progress has been made in the removal of restrictions on trade in manufactured items, relatively little progress has been made as regards trade in agricultural products. Quantitative restrictions, State trading, mixing requirements, and other devices are still extensively applied to limit trade in agricultural products. The third report of GATT Committee II describes the wide range of restrictive devices employed in the agricultural field. The report indicates the adverse consequences to resource use in the protecting countries, to economic development in the exporting countries, and to the continuance of GATT as a trade expansive body if these protective devices continue. The longer these restrictions remain, the more deep-seated and entrenched they become and the more difficult they will be to remove.

We are disturbed not only over the existing restrictions but also at the tendencies toward even increased agricultural protectionism. We hope in particular that the EEC, one of the world's greatest agricultural markets, will not adopt policies or measures insulating the Community from the world market in agricultural commodities.

We are concerned because of adverse effects not only on our own trade, but also on trade of other countries, notably the less-developed countries, which must have access to markets if their legitimate aspirations are to be achieved.

We are pleased to hear the remarks of other speakers recognizing this problem and urging that a solution to it be found. While it is not clear what form the solution should take, it is clear that some form of international approach is required.

We welcome therefore the suggestions made by the representatives of France, of Germany speaking for the EEC, and of other countries, most recently New Zealand, that this problem be studied to see what the possibilities for action may be. We urge that the Contracting Parties establish procedures for the MORE
development of proposals to serve as a basis for the negotiation of practical measures to permit access to markets for international commodities. These procedures should provide for the establishment of such groups as may be necessary for this purpose. My Government would be agreeable to beginning this work with an examination of the possibilities for solution of the problem of cereals as proposed by the representative of France. However, it should be understood at the outset that possible solutions in any other agricultural commodity where there is an access problem, not just in wheat, should be considered.

It should be understood, also, that the United States could not consider these possible solutions as substitutes for a reasonable settlement of the agricultural issues in the current Geneva tariff negotiations.

We are not prepared at this time to judge what is the right solution to the problem of access to agricultural markets. Indeed there is likely to be more than one answer. We should like to emphasize, however, that whatever the solution may prove to be, it should be one which will first, provide substantially increased access to the market of importers of agricultural commodities; second, take into account the legitimate interests of both importers and exporters; and third, rest upon the fundamental principles of the GATT.

The purpose of these remarks has not been to direct undue criticism at any country or group of countries, but to emphasize the conviction of my Government that it is imperative to take steps to free agricultural trade from many of the restrictive devices now impeding this trade. The problem is not easy to solve, but fundamental problems rarely are. The very complexity of the whole area of agricultural trade, and the importance of agricultural production and trade to the social, economic and political fabric of most of our countries, highlights the urgency of our getting on with the job.