STATEMENT MADE BY THE HON. N. DIEDERICH
MINISTER OF ECONOMIC AFFAIRS, SOUTH AFRICA
ON 20 MAY 1963

Item II: Arrangements for the Reduction or Elimination of Tariffs
and other Barriers to Trade, and Related Matters

Item III: Measures for Access to Markets for Agricultural and other
Primary Products

For the sake of brevity I will deal with Items II and III of our Agenda
simultaneously.

In the light of the complexity of the task entrusted to the Working
Party on Tariff Reduction I would like to congratulate the Working Party on
the clarity of its analysis of the principles that should govern the proposed
negotiations.

It is the view of my Government that all classes of products should be
included in the negotiations. We also regard it as essential that non-tariff
barriers to trade whatever their nature should be covered in the negotiations.

In particular my Government appreciates the recognition that there are
countries with special problems as well as the fact that reciprocity is regarded
as fundamental to satisfactory results. I might point out that my Government too
is bound by its legislature to the granting of concessions only on a reciprocal
basis.

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South Africa was one of the countries which in 1947 made substantial concessions in rates of duty in a customs tariff which had been in operation since 1925. The concessions granted were mainly on manufactured goods whilst we in return obtained concessions principally on primary and agricultural products. Although free admission or admission at low rates of duty on raw materials into the industrialized countries is in the interest of the latter we were nevertheless called upon to pay in full for such concessions as we received.

Moreover it is true that since 1947 the terms of trade have in general moved against the producers and exporters of primary products. We believe therefore that the value of the concessions granted by us to the recipients has been considerably enhanced and the value of those we received has been diminished. In addition the wider introduction and more intensive application of non-tariff barriers tend to reduce and restrict access of agricultural and primary products to important markets.

Furthermore since the time when the GATT was concluded in 1947 many of the then less-developed countries have made some progress towards industrialization and the diversification of their economies and find themselves today in the position that these developments and the welfare of the people involved cannot, in the words of Dr. Mansholt, be made the victims of freer trade. Unless these considerations are the bases for the negotiations and unless contracting parties can be satisfied that adequate provision is made for their aspirations to a higher standard of living and the free development of the potentialities of their people and resources any new arrangement can only lead to the very same frustrations that have made this new approach to international trade so essential.

Relative to its population and national income South Africa is a big importer as well as a big exporter. Because of the nature of its import and its exports which cover a wide variety of agricultural and other primary products on the export side and a wide variety of manufactured goods on the import side South Africa has a great interest in any attempt to promote the expansion of world trade. We are therefore prepared to co-operate in establishing a satisfactory basis for reducing barriers to trade.

The South African Government accordingly endorses the proposal to establish a Trade Negotiations Committee the responsibility of which should be the formulation of acceptable negotiating procedures and also the supervision of the negotiations. I do not wish to propose more specific terms of reference for the supervisory committee nor do I think that the terms of reference for this committee should at this stage be too closely defined. I am of the opinion that the committee should be entrusted with very flexible terms of reference in regard to any of the matters under consideration and should be authorized to study and consider, or to appoint special committees to do so, any practicable proposal for the achievement of the principal objective namely a higher standard of living for all through the removal of barriers to trade.

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