Speech by Mr. Nils Langhelle, Minister of Trade (Norway)
delivered in Plenary Session on 10 November 1954

1. In the opinion of the Norwegian Government the General Agreement on Tariffs and Trade has contributed successfully to the expansion of international trade. Thanks to the General Agreement, customs tariffs have been stabilized and most-favoured-nation treatment has been assured. The revision of the Agreement should aim not only at a preservation of the results already achieved under the Agreement, but also at a strengthening of its rules to enable it to play an even more important part in the development of international trade.

2. I join the previous speakers in their appreciation of the work performed by the secretariat. We do not feel any need for a mammoth organization. But the Norwegian Government feel it an indispensable condition for the satisfactory operation of a strengthened Agreement that an Organization is formed to coordinate the action taken by contracting parties to fulfill their obligations under the Agreement. The administrative rules of this Organization should be based on the experience we already have gained during our sessions and on the experience of the intersessional administration of the Agreement. But the administrative rules must be more elaborate than the present ones, and should be made part of the Agreement. Whether this could be done through a separate protocol, as suggested by the secretariat, is a practical question and will depend on the drafting of that protocol.

3. In the present Agreement the objectives of the Agreement are stated in the Preamble. In the opinion of the Norwegian Government the Agreement will be strengthened if these objectives are incorporated into the Agreement itself. We have, therefore, proposed to replace the Preamble by two new articles, the first to contain the objectives now expressed in the Preamble, the second to state the obligation of contracting parties to take action to achieve these objectives, provided that such action shall not hamper international trade or create balance-of-payment difficulties for other contracting parties.

4. To equalize the obligations of the Contracting Parties under the Agreement, the Norwegian Government have proposed that the general proviso regarding the application of Part II of the present Agreement be discontinued after a transitional period. This will necessitate changes in law and practice in the different countries, changes which may create some political difficulties. I know that this at least will be the case in Norway. But we must all face these difficulties and not weaken the Agreement by allowing a number of exceptions to the general rules in order to cover our national problems.
5. In the opinion of the Norwegian Government the Agreement should contain a clear obligation for contracting parties to enter into tariff negotiations directed to the reduction of the general level of tariffs. It has, therefore, proposed provisions to meet this end.

6. The provisions of the present Agreement regarding anti-dumping and countervailing duties do not prevent that the Contracting Parties impose such duties according to very different rules. The Norwegian Government have therefore put forward proposals to the effect that the new Organization shall work toward the standardization of these rules. To facilitate this task we have proposed that contracting parties shall be obliged to submit information concerning national laws and regulations in respect of such duties, and also concerning measures taken in accordance with these laws and regulations.

7. The Norwegian Government have proposed certain amendments to the present regulations regarding Customs Administration. In our opinion, these amendments will serve to facilitate international trade. We will welcome any proposal from other contracting parties aiming at the same objectives.

8. The Norwegian Government have not put forward any proposals regarding the use of quantitative restrictions introduced for balance-of-payment reasons. This does not mean that we have not carefully examined the present provisions in Articles XI to XV of the Agreement. Neither must it be taken as an indication of full satisfaction with these rules as they stand today. There is undoubtedly a need to eliminate at least a part of the transitory provisions that were included in the Agreement in 1947 in view of the abnormal conditions of supply prevailing during the postwar period.

I think it is true to say that most of the difficulties during the postwar period, which justified the application of quantitative restrictions by most countries, were of a temporary character. The postwar reconstruction period now being passed, and most of the special difficulties overcome, we are still faced with problems which can no longer be considered as temporary. In spite of the considerable improvement in the dollar situation during the last two years we are, e.g., still faced with a latent dollar shortage, as shown by the Randall report. This shortage is in our opinion of a structural character caused by the profound dislocations in the world economy since the prewar period. Furthermore, one may point to the drying up in the international flow of private capital during the same period.

We must also take into account the close connection between the balance-of-payments positions on the one hand, and on the other hand the economic policy of the various countries. In particular, countries pursuing expansive economic policy may, under the present conditions, very often have difficulties to finance their import requirements.

Lastly, it is natural to look at the trade policy as a whole, as both customs duties and quantitative restrictions introduced for balance-of-payment or protective reasons, all aim at regulating the volume and composition of the foreign trade.
In view of all this, the Norwegian Government has not found it opportune to put forward proposals for revision of the provisions dealing with quantitative restrictions introduced for balance-of-payment reasons, until a satisfactory solution is found of the payment problems connected with the transition to full convertibility. If the trade rules regarding the use of the quantitative restrictions are to be changed and possibly strengthened, it is decisive that one may, within the framework of the GATT obtain sufficient guarantees that each of the member countries should have an economic policy aiming at full employment and a high level of activity. Furthermore the Norwegian Government has found it difficult to propose changes in the rules regarding quantitative restrictions until we know more clearly how the Contracting Parties will deal with the questions of further binding of tariff levels, and the question of future multilateral tariff negotiations.

As I said, the Norwegian Government consider the stabilization of customs tariffs one of the main achievements of the Agreement. Therefore, in our opinion, the assured life of Schedules should be prolonged for a shorter or longer period. But if the prolongation is made for a longer period, for instance to the end of 1957 as suggested by my British colleague, we foresee the necessity for many countries to renegotiate certain items during this period. We must, therefore, endeavour to find a flexible procedure, which can meet the requirements of these countries without jeopardizing the results we so far have obtained.

9. In recent years there has been an increasing tendency for governments to grant artificial aid to exports. These practices have been to the detriment of normal trade. However, the present provisions of the Agreement do not exclude such practices. In the opinion of the Norwegian Government, the Agreement should be strengthened in this field, and we have therefore proposed new provisions prohibiting export subsidies after a period of readjustment.

A number of countries practise systems for the stabilization of domestic prices or of the income of domestic producers of primary commodities, independently of the movements of export prices, systems which result at times in exports at prices lower than the prices in the domestic market and at other times at prices higher than the comparable domestic prices. In fact, such systems are as a rule finally financed by the producers themselves and not by the Government, and they are not aimed at artificially stimulating exports.

The Norwegian Government consider it important for social and economic reasons that such systems can be upheld. To avoid any confusion as to whether they are inconsistent with a general ban on export subsidies, we have proposed specific provisions authorizing them.

10. It is generally recognized that international trusts and cartels may have harmful effects on the expansion of international production and trade. In accordance with this view the Havana Charter established an international control with such restrictive business practices. The Norwegian Government are of the opinion that the question of including such provisions in a new agreement should be taken under close consideration.
11. It will appear from the proposals for revision put forward by the Norwegian Government that we are not wholly satisfied with the present regulations regarding emergency action on import of particular products. In our opinion a contracting party should not be allowed to take unilateral action in these matters, but should refer the question to the Organization for discussion and consideration. In our memorandum we have proposed some strengthening of Article XIX, which we hope will be acceptable to the Contracting Parties. I should like to make clear, however, that if we had thought it possible to obtain the consent of all the Contracting Parties, we would have been inclined to put forward proposals restricting the use of this provision still further.

12. Norway, with an extensive foreign trade per capita, and with a large Merchant Marine, has a vital interest in the endeavours centered in GATT and we therefore hope that the deliberation we now have started will lead to an expansion of world trade.

These, Mr. Chairman, are the remarks which I would like to make at the present time regarding our proposals for revision, but I must reserve the right for my Delegation to comment upon other questions, which I have not touched upon here, and the right to put forward proposals on such questions at a later stage of the discussion.

Thank you, Mr. Chairman,