GATT - Fourth Round of Tariff Negotiations

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DELEGATION RELEASE

Statement made by Mr. Erling Kristiansen,
Assistant Under-Secretary of State for Foreign Affairs of Denmark,
at the public session on 19 January 1956

When we are now embarking on the fourth tariff conference since 1947, it is natural to glance back at the results of the three previous attempts in this field. While admitting that many tariff reductions and bindings have been achieved, ensuring a substantial measure of stability, it is doubtful whether tariffs are in general lower than in 1947. In any case, no headway has been made with regard to the objective to which the low-tariff countries attach so great importance; that of reducing the disparity between the level of their own tariffs and that of the so-called high-tariff countries. It is unsatisfactory that the low-tariff countries are not allowed to compete in the markets sheltered by high customs duties on as favourable terms as the latter countries enjoy in our markets. The closer economic co-operation to which we are pledged must certainly include a gradual reduction of tariff barriers involving, ipso facto, a reduction of the tariff disparity.

In recognition of this state of affairs, the Contracting Parties have for the last four years examined the possibility of making progress towards a general reduction of tariff levels. A plan was elaborated which, if accepted, would have led to a measured movement in that direction. But when the moment came for a policy decision as to the application of the major principles of the plan as the basis for this conference, some of the major trading nations were not willing to make use of the plan at this juncture. The present stagnation in the tariff field cannot but have a limiting influence on our co-operation in other fields, such as trade liberalization.

Even so, a large number of the contracting parties made great efforts to open the way to more substantial results by introducing multilateral principles into the procedures for this new tariff conference instead of the purely bilateral rules which governed the preceding ones. Unfortunately, these efforts, too, have been largely unavailing. Although Denmark is, under these circumstances, sceptical about the ability of this conference to achieve more than minor results, we have decided to participate in this conference. We wish to seize every opportunity to obtain tariff reductions in a period which has been characterized by tariff increases, especially as regards processed agricultural products, upon which our ability to earn foreign exchange depends to so large an extent.

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Our decision is, however, based on the assumption that the high-tariff countries do not consider the tariff problem solved at the end of this conference, and that - in pursuance of the decision adopted at the Tenth Session of the Contracting Parties - the main tariff problem will be taken up for consideration at future GATT sessions in order that a solution may be found which is satisfactory to all countries. The importance of this problem is growing pari passu with the gradual relaxation and abolition of quantitative restrictions.

We earnestly hope that the other participants will be disposed to let the Tariff Negotiations Committee perform a decisive function in the forthcoming negotiations. It is essential that the consolidated lists of offers from the individual countries should be reviewed as soon as practicable by the Tariff Negotiations Committee in accordance with the agreed Rules of Procedure, so that the Committee may be in a position to make appropriate recommendations taking into account the provisions of Article XXIX of the Revised Agreement. The Committee, in our view, should play an active rôle in the whole conference in order to facilitate and help in the negotiations; provision should be made for specific questions arising in the course of bilateral negotiations to be submitted to the Tariff Negotiations Committee for discussion.

(On the subject of the problems faced by this conference by the low-tariff countries, Mr. Kristiansen associated himself with the remarks of the delegates of Norway and the Netherlands.)

The acceptance by the United States of the OTC would be a valuable contribution to international economic co-operation and would do much to increase our confidence in the possibility of maintaining the results already obtained and of achieving in the future more substantial progress in the tariff field.

Even if the powers of certain countries are very limited with respect to participating in the negotiations at this conference, we hope that the other countries taking part in it will not for this reason unduly restrict their participation. In particular, it would be valuable if the OEEC countries would be ready to grant mutual tariff concessions, especially for commodities which are exchanged mainly in intra-European trade.

Progress with regard to the breaking down of tariff barriers is vital for progress towards a free market and for a sustained strengthening of our joint economies, which is the infrastructure of our co-operation in other fields. May every country keep this in mind when it contemplates introducing new impediments to our mutual trade, in the shape of tariffs, subsidies, or other means.