Statement by Baron Snoy et d'Oppuers

I would not wish to speak at too great length at this late hour, and I shall try to be brief.

I have listened most attentively to the speeches made by representatives around this table and although it is not possible for me to reply to all the remarks and all the questions which have been raised, I can assure you that I shall make a very full report to the institutions of the Community. Since the Twelfth Session we have adopted a system which simplifies our work by dividing it under four main headings. On this basis, I should like to give you a brief summary of the Community's point of view after the statements which we have already heard.

As far as the common tariff is concerned, I do not believe that we are faced with insuperable difficulties. After the Sub-Group had examined the problem it became apparent that it had not been possible, at least for the time being, to find solutions to a certain number of problems. I would mention in particular problems raised by the application of the provisions of paragraphs 4, 5 and 6 of Article XXIV of the General Agreement, in respect of which the Community must reaffirm the views already expressed by the Six, as recorded in the report of Sub-Group A established by the CONTRACTING PARTIES at the Twelfth Session.

I should like, however, to meet a wish which has been expressed by the United States and other delegations. I can assure you that the Community will make every effort to supply in good time the fullest possible documentation regarding the common external tariff, so that the CONTRACTING PARTIES may make objective determinations, on the basis of the factual data thus made available to them, as to whether the tariff is consistent with the provisions of Article XXIV.

As regards quantitative restrictions, the United States delegation as well as certain other delegations who have taken the same position, have urged that the balance-of-payments difficulties of individual Member States should not be used by the other Member States to justify the imposition of matching quotas. I feel that this request involves theoretical and legal considerations and I am sure you will appreciate that in this respect the Six are not in a position to modify the views which they maintained throughout the Twelfth Session. In this connexion, I should like to add that, to my mind, the CONTRACTING PARTIES have not taken sufficient account of those provisions of the Treaty which govern monetary and financial co-operation between the Six.

But if we all agree to leave aside, for the time being, the legal questions on which we held conflicting views, I have no doubt that we can find some practical basis for agreement, for which the report of the Sub-Group which considered the problem of quantitative restrictions during the Twelfth Session has already cleared the ground. The Sub-Group noted that the
provisions of the Rome Treaty "imposed on the Members of the Community no obligation to take action which would be inconsistent with the General Agreement", whatever scope and interpretation is to attach to Article XXIV of the GATT, and that "any particular problems that might arise in the actual application of import restrictions by the individual members of the Community would be examined in the consultations under the provisions of the General Agreement". I believe that there we have the basis for a practical solution which, if administered in a spirit of co-operation and mutual understanding, should give satisfaction to all concerned.

I will now turn to the question of agriculture. I believe that the studies which have been undertaken in this organization have shown everyone that the problems relating to agriculture, within the framework of the Community, are essentially of a fluctuating nature. The formulation of a common agricultural policy, which is the very key to the solution sought under the Treaty, is a long-term undertaking and the Australian representative, referring to the Stresa Conference, which is to be held in July rightly understood that this was only one first step in the first stage of the formulation of a common policy; this first step consists in gathering the factual data relating to the individual agricultural policies of the Six and to prepare a statement of their resources and needs to serve as a basis for the gradual formulation of a common policy. I would wish to draw your attention to the fact that the authors of the Treaty, especially as far as Article 43 is concerned, have shown a full sense of realism in providing considerable time-limits. As you can see in that Article, the Commission in taking account of the work of the conference provided for in paragraph 1 shall, after consulting the Economic and Social Committee and within a period of two years, make proposals for the putting into effect of the common agricultural policy. The authors of the Treaty were not very optimistic in this respect. The same paragraph provides that the Council, acting during the first two stages (at least eight years) by means of a unanimous vote and subsequently by means of a qualified majority vote on a proposal by the Commission and after the Assembly has been consulted, shall issue regulations or directives or take decisions concerning the common agricultural policy.

As the Australian delegation rightly understood, it will obviously take us a long time to formulate, in a durable manner, all the elements of a common agricultural policy and this process will necessarily be a slow and continuing one. I even doubt that it can ever be completed. In these circumstances you are justified in asking us to find practical procedures to meet any difficulties which might arise. I shall revert later to the elements of a consultation procedure which could be agreed to, but I should like first to turn to the fourth main heading of our work, which concerns the association of the overseas countries and territories.

This set of provisions which is an integral part of the Rome Treaty reflects, as we have already stated, our special responsibility towards the overseas countries and territories with whom, as is well known, we have special relations. Under the chairmanship of Mr. Hagen, this question has been the subject of a lengthy study which, unfortunately, has not yet been completed.
At the beginning of this meeting I said how grateful the Community is to Mr. Hagen for his patience and conciliatory spirit which have been highly commended already. During the discussion, some delegations have invoked the results of the study conducted by the Working Party on the Association of Overseas Countries and Territories in order to draw certain conclusions. After listening to them, however, I am afraid that they have not taken account of all the results of the Working Party's study, because in most cases discussions in the Working Party resulted unfortunately in the mere juxtaposition of two different and sometimes irreconcilable viewpoints and in fact, at the present juncture, the study by the Working Party should be considered as a collection of conflicting evidence. I share your conviction that there is much to be done before this question is settled, and here too we shall probably have to seek a practical way out of our difficulties.

In this connexion, Mr. Chairman, I believe that the spirit which has developed around this table today has tended towards seeking a practical solution, and I am in a position to state that the Community agrees with this approach. If for the time being we cease confronting legal arguments, which it has not yet been possible to reconcile, it is certainly within the spirit of the Organization of which we are members to seek practical and constructive solutions. In this respect, I believe that we should find a solution within the framework of the General Agreement, and on behalf of the Community I should like to support the statement by the United States delegation, that:

"We do not envisage a new kind of machinery, established primarily or exclusively for this purpose. Rather, we have in mind the normal procedures for exchanging information and views along lines which are in keeping with the best traditions of the GATT."

This frame of mind is entirely in keeping with our own feeling. It would indeed be against the long-term interests of GATT to try to solve our present difficulties regarding co-operation and consultation through any special procedure, and I will give you three arguments to convince you. If, as we agree with you, it is desirable to cease considering legal arguments for the time being and dismiss both parties non-suited, and if instead we were to follow a procedure instituted especially for the particular case of one of the parties as if the outcome of the legal discussion had been unfavourable to that party, then we would be acting inconsistently. I therefore feel that it would not be permissible to ask the Six to agree to a consultation procedure established for their particular case only. But it would certainly be desirable to exploit methodically all the possibilities which the General Agreement offers, the more so that you are all convinced, as we have been since the beginning of the discussion, that the Common Market Treaty allows for considerable flexibility and that it vests its institutions with responsibility for framing its future policy, in the same way as the governmental institutions are responsible in each individual country. What I have said with respect to agriculture is true in every case: for many decades to come, the Community will be engaged in the task of solving problems of international trade.

This being so, would it be polite not to entrust the study of all such problems to the GATT institutions but instead to set up special machinery for that purpose? Lastly, and to my mind this is the third argument, it is in the
interest of all of us, at the present juncture, to strengthen the GATT. It is
in our interest to do so because we are faced with difficulties arising from a
certain world recession. We are in danger when the recession seems to favour
bilateralism and in this regard I share the view expressed by the Indian
representative. We are all aware of the advantages which we have reaped from
our multilateral procedures which must be maintained.

I should like to revert to a suggestion put forward by Mr. Garcia Oldini
and subsequently taken up by other representatives. Article XXII of the
General Agreement provides a bilateral procedure as a first stage and a
multilateral procedure a second stage. Full use has not yet been made of
these procedures. In certain cases where injury had been caused, Article XXII
has been resorted to in order to remedy such injury, but there is nothing in
the wording of this Article which prevents us from invoking and applying it
where serious injury is threatened.

Why not then turn to Article XXII in order to find a solution to these
consultation problems which are before us? I should like to put this idea to
you, as it seems to me important for the future of the GATT. In my first
statement yesterday, I said that the text of the Treaty itself provides a
statement of intention which is amplified in a formal declaration signed by
the Six countries when the Treaty was signed. This common declaration relates
to the development of international organizations and co-operation within such
organizations in order to solve the problems raised by international trade.
I do not believe that you can seriously consider that our intentions are
different from those which have been stated. You should, therefore, take them
as the expression of a permanent and lasting desire on the part of the
Community. As I said yesterday, this conforms to the interests of the
Community and to the way in which it has to identify and construe them.
I therefore believe that you will find the Community to be a protagonist which
is fully convinced of the advantages to be gained from multilateralism in
solving problems of international trade.

I am aware, of the fact which the South African representative emphasized,
that part of the problem which confronts us today, and which is causing concern
to some delegations, does not stem from the features of the Treaty, or from the
legal issue which the Treaty might raise, but above all from the size of the
economic entity which has been established. In this connexion, the South
African representative pointed out that the position of small countries might,
in certain cases, seem weaker and more limited, as far as the major issues are
concerned, than that of the great powers. We fully sympathize and are prepared
to recognize that, within GATT and at international level, the great trading
countries have responsibilities which are considerably greater than those of
countries whose interests are more limited. We are prepared to assume such
responsibilities.

It has also been said - and I will conclude with this point - that the
problem of primary commodities is of vital importance to economically under-
developed countries. We certainly are of the same opinion and I know that we
would support the idea that this problem should be dealt with, and that it
should be dealt with on a multilateral basis. The Community has no objection
whatever to this problem being dealt with in the framework of the General
Agreement.
I believe that I have given you essential information concerning the position of the Community in regard to the problems which we are discussing today. I am sorry if I have spoken too long, and it is my hope that, if we are all imbued with the same practical spirit and anxious to find solutions to our problems on a pragmatic and constructive basis, we can in common evolve methods which, in the long run, will prove to have been of fundamental importance for the future of GATT.