Statement made by the Rt. Hon. Frederick Erroll, President of the Board of Trade, United Kingdom.

On 18 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

Hitherto we have discussed questions of prime importance to the less-developed countries. Now we turn to matters which are of the greatest direct importance to the industrialized countries. But let it not be thought that the outcome of these discussions is of no importance to the less-developed. On the contrary it is only by the growth of trade in, and between, the developed countries that the markets for the raw materials and primary products, on which so much of the prosperity of the less-developed countries will continue to depend, will be enabled to expand. Only in this way can these countries increase their exports and develop their economies in a sound and healthy manner. Much is at stake for the whole world on the outcome of our deliberations in the next few days.

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President Kennedy with wise foresight has seized upon the possibility inherent in a new approach to the technique of tariff reduction which was I think first suggested by the representatives of the European Economic Community at the time of the Dillon Round. This is the technique of an equal percentage cut across the board in the industrial tariffs of all countries. This method in our view offers the most promising prospects for securing wide and effective reductions in the obstacles to trade which tariffs still present. President Kennedy has obtained wide powers from Congress to effect reductions in the United States tariff on this basis in exchange for reciprocal benefits for American trade. We are anxious to see the widest use made of these powers by the American Government and to seize the advantages which they offer for us and other trading countries. We for our part will co-operate by making cuts in our own tariffs as deep and as extensive as any which our principal trading partners are prepared to offer.

The Working Party on Procedures for Tariff Reduction took as a working hypothesis the figure of 50 per cent as the size of the cut to be made - no doubt because this was the maximum which the American Government had authority to make. My Government consider that this is right and I was particularly interested to hear what the United States delegate said about this.

I know well - for domestic industry as well as international trade is among my responsibilities - that there will be British industries which will resist this massive reduction of the protective tariffs which they enjoy. But the British Government are prepared to face difficulties of this kind at home, confident that our country as a whole can only benefit from the increase in world trade which will result from the lowering of tariff barriers. We believe that in this way we shall contribute best to the prosperity of ourselves as well as of others. This is indeed the part of enlightened self-interest. And I earnestly commend it to my colleagues here for I believe that if it is right for us it must also be right for others.

I therefore fully endorse the principles set out on page 12 of the Agenda. I do not wish at this stage to enter more fully into the difficult questions of the application of these principles which are discussed on the following pages of the Agenda. My colleague, Mr. Christopher Soames, Minister for Agriculture, Fisheries and Food, will give our views on the most important of these questions - agricultural problems - tomorrow. Some of the others are too technical and detailed to be dealt with in an assembly as large as this. The solutions to others will perhaps become clearer when we have more time for informal discussion of them among ourselves.

I will conclude by repeating that the British Government welcome enthusiastically the courageous and far-sighted initiative of the American Government and are anxious to play their full part in obtaining the greatest possible reduction of tariffs and other barriers to trade through the successful completion of the Kennedy Round.

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