Statement Made by the Hon. J.R. Marshall, Deputy Prime Minister and Minister of Overseas Trade, New Zealand

On 17 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

New Zealand wholeheartedly supports the proposals for a new programme for the expansion of international trade. This programme must be a balanced one. Success on tariffs without success on agriculture on the coming negotiations would mean failure for the GATT as a whole.

The fact that there must be two separate items - one on tariffs and one on agriculture - reflects the existence within the GATT of a double standard: one kind of treatment for agricultural exports and another for industrial products. The result heavily favours the industrialized countries.
The emergence of this situation exposes the fact that most industrialized countries do not feel able to apply liberal trading policies when these affect an area of their economy that is politically or socially sensitive. This in turn leads to the growth of politically and socially sensitive areas in the primary exporting countries adversely affected and makes it increasingly difficult for those countries to continue to apply liberal trading policies.

Up to now, we have accepted and applied the rules of the GATT in the spirit of the GATT. From the beginning we felt that the rules were weighted in favour of the industrialized countries but we accepted them. But even these rules have not been observed by some industrial countries when it suited them to do otherwise. If the industrialized countries cannot measure up to their GATT obligations how can others be expected to do so?

It is often overlooked that we are discussing not a set of vague principles, but a trade agreement based on reciprocal advantage and obligation and signed and accepted by all contracting parties. For us the GATT is a trade agreement under which we gave concessions and agreed to work towards more liberal trading policies. We believe we have kept our side of the bargain; a number of other contracting parties have not.

In the face of this continuing situation we accept that we must be prepared to examine what pragmatic arrangements can be negotiated for agriculture, but in doing that we do not abandon in the least our basic position that the rules of GATT should apply without discrimination to both industrial and agricultural products.

We are, however, prepared to come to the negotiations in a flexible frame of mind. The markets for some agricultural commodities have been so seriously distorted by the artificial stimulation of production and by protection, that we see no practical alternative to pragmatic solutions; and we shall have, we hope, some positive and constructive ideas on the subject when the meeting turns to its separate discussion of the agricultural problem.

Having offered to come to the negotiations in this spirit, we would hope that other countries will at this meeting indicate that they are ready to negotiate in the same spirit.

If we cannot get some response on these lines from this meeting my Government would see little hope for the future of GATT. The failure to make real progress by the time of the trade negotiating conference in early 1964 could only mean that GATT no longer had the will to live as a truly multi-lateral trade organization.

Thus the emphasis in the documents before us that agriculture must be an integral part of any future trade expansion programme is a fundamental element in our policy.
This brings me to the proposals on tariffs. We can see that the old methods of tariff negotiation are, in the light of changing circumstances, no longer adequate if substantial progress is to be made in the lowering of tariff barriers between important trading groups. We very much hope that these groups will be able to come to basic agreement among themselves on the actual method that is to be used.

As far as we are concerned we cannot be expected to offer sweeping, automatic and across-the-board reductions in the tariffs on our imports, when others apparently intend, at best, to make carefully chosen - selective - offers on the trade barriers to our agricultural exports. We welcome the reassuring comments of Governor Herter on this aspect of the negotiations.

We are indeed ready to play our part in this new round of tariff negotiations, and to offer value for value; but because of the decisive importance to us of a satisfactory settlement in agriculture we cannot at this stage make a firm declaration on the nature and extent of our participation. We believe, I think with justification in the light of our past experience, that we are first entitled to see the measures of reciprocity to be offered to us in agriculture. We also expect that account will be taken of the considerable credit owing to us as a result of the past and present impairment of tariff concessions and access rights.

We are prepared to pay fully for such nett benefits as are offered to us. We hope that others will be able to approach the negotiations in a similar way. From this we exclude those developing countries which cannot be expected to offer full reciprocity in tariff negotiations.

Finally, may I say that it is apparent that we have made little or no progress on the agricultural programme since we met in this room eighteen months ago. This new programme which has been so auspiciously launched this afternoon may be our last opportunity for a long time to make progress towards a genuine and balanced expansion of world trade.

It is vital to seize this opportunity.