

# GENERAL AGREEMENT ON TARIFFS AND TRADE

COM.TD/W/46  
16 January 1967  
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Committee on Trade and Development  
Eighth Session  
Punta del Este, Uruguay  
16-20 January 1967

Original: Spanish

STATEMENT BY MR. C. VALENZUELA, CHAIRMAN  
OF THE COMMITTEE ON TRADE AND DEVELOPMENT

I would like on this occasion, in my capacity as Chairman of the Committee on Trade and Development, to reiterate the thanks of the participating delegations to the distinguished Government of Uruguay for its generous invitation, as well as for its kind and traditional hospitality. Thanks to this initiative we are meeting here in a developing region, side by side with a people that has always been characterized by its universalism.

The Committee considers it a high honour, Mr. Minister, that you should have agreed to preside at this opening meeting.

I welcome the representatives of international and regional institutions, as well as the other distinguished people who have accepted our invitation to participate in this session. Their valuable contribution will be decisive for the success of the work of this Committee. More particularly, I welcome the fact that Dr. Raúl Prebisch, Secretary-General of UNCTAD and Mr. E. Wyndham White, Director-General of GATT, are attending this meeting in person.

In the period since 1947, from the Havana Conference to the Kennedy Round, two decades fraught with great changes affecting practically all social activities have gone by. Nothing has remained untouched by the general process of rapid transformation. It is possible that this experience of a continuously moving reality does not now constitute a dramatic novelty inasmuch as it has become part of everyday life. But when one remembers how difficult it has been over these past twenty years, at both the national and the international levels, to create an awareness of the importance of economic development, of the collective responsibility in the face of the urgent problems of the developing countries and, in tune with these changes, to promote the establishment of new principles and the adoption of concrete measures to achieve these objectives, one can see clearly what efforts have been made and how much still needs to be done.

In the sphere of our specific preoccupations, the relationship between trade and development, there is a factor, consistent with this phenomenon of acceleration, which should always occupy the attention of this Committee. I refer to the new events that directly influence economic life and which weigh heavily on the growth expectancy of the developing countries - particularly events of a scientific and technological nature - which occur with increasing speed and demand from the international community (if I may be permitted this expression) a similar speed in revising ideas or traditional patterns, in order to adopt others, and to apply, with a great sense of urgency, a series of concrete measures which will make it possible to face up with success to new problems as they arise. In other words while, on the one hand, we must take advantage of all existing opportunities to narrow the gap that separates one economic sector from the other, and move from the plane of general considerations and plans to that of concrete and realistic resolutions in the field of trade policies, we must not, on the other hand, forget that the effort of readjustment required should also include the promotion of bold and appropriate measures, such that the achievement of years of negotiations and common efforts be not destroyed in a few months by the still uncontrolled dynamics of the widening gap between prosperity and poverty. Our Committee must keep looking to the future in its work.

Each institution has its own responsibilities. The General Agreement is an inter-governmental instrument which lays down rights and obligations in the field of trade policy. It constitutes a legal commitment for governments and this fact determines its objectives and methods of action. Within this legal framework one has always tried to maintain a constructive dialogue among the various economic sectors by the exchange of information and points of view, in short, to find bases for agreement that would make progress possible through negotiation. The task is difficult and laborious, since interests are naturally often different or even conflicting. Over these past few years special attention has been given to the problem of economic development in direct relation with international trade. The adoption of Part IV of the General Agreement has given the character of a contract to the principles and commitments adopted in the course of this experience that **spread** over many years. The Committee on Trade and Development was created precisely to supervise the implementation of these norms and commitments by the countries that have accepted Part IV of the GATT.

By a happy stroke of luck, the adoption of the new principles contained in Part IV has coincided with the Kennedy Round of trade negotiations. In other words, it is now possible to test the extent to which it is possible for the developing countries participating in the negotiations to obtain general concessions or special treatment which would enable them substantially to improve their situation in international trade.- in other words, the extent to which the Kennedy Round could become a positive factor in the diversification and expansion of our countries' exports, both as regards their traditional trade and their potential markets. The debate on the implementation of Part IV, with respect to the negotiations in question, will afford an opportunity to examine **the present** situation and to define the position of the Committee as to what should be done in order to reach this objective.

Part IV of the General Agreement goes far beyond the scope of a trade negotiation, although one should not underestimate the importance of the occasion that it affords to evaluate the relationship between principles and realities. An interesting experiment has been started among developing countries with a view to making joint efforts and to exploring the possibilities for expanding trade amongst them. This initiative could include tariff as well as non-tariff measures. In the course of our work we shall have occasion to receive information in this respect. It is interesting to point out that developing countries in different parts of the world are confident that concrete agreements can be arrived at, even if modest at the start, which would facilitate a real increase in trade amongst them.

The initiative taken by the developing countries, which is followed with much interest by the industrial countries, represents an additional contribution to the objective of an expansion of their external trade, but can in no way replace the necessary co-operation of the industrial countries in the general field of trade and development. It follows, therefore, that our Committee will listen with the greatest attention to the statements that may be made with respect to other kinds of practical measures designed to ensure wider access for the exports of our countries to the industrial markets, and bearing in mind the preferential scheme applied by the Australian Government, this could well be the occasion for other developed countries to make known their views on this important matter.

In this connexion the experience of the last few years has underlined the importance for the developing countries of technical assistance in export promotion. The Committee will review various aspects of the work carried out by the International Trade Centre and particularly those connected with market information, studies on specific products and countries and the adequate training of specialized staff.

The secretariat has prepared valuable documentation on the different points covered by our agenda. This technical work will facilitate the successful conclusion of our debates.

As I said at the beginning of these observations, the Committee must at the same time ask itself what its principal activities will be once the Kennedy Round is finished, once the final evaluation is made and its results weighed in the light of the expectations of the developing countries. Within the legal framework

of the General Agreement and specially Part IV and on the basis of the valuable experience gained in the negotiations, the Committee will have to identify the objectives to which high priority and urgency must be given. It will be possible to advance even more rapidly working in close co-operation with other institutions dealing with problems of trade and economic development, whose co-ordinated work in the service of these objectives we recognize and welcome.

It is often said that we are on the threshold of a society with new dimensions. This change in order of magnitude is also reflected in the size of the problems of our time, which demand solutions on the same scale. That will be the nature and prospects of future trade negotiations, if we want them to meet all the expectations of the developing countries? How will it be possible at the same time to give consideration to factors of such paramount importance for economic growth through exports as, for instance, transport or the scientific and technological gap?

These and many other questions will have quickly to be solved.

Twenty years ago, the agenda of the first meeting of the United Nations Economic and Social Council could not, because of the problems that predominated in the immediate post-war period, pay particular attention to the concern - universal today - about problems of economic development. Neither was it possible, twenty years ago, at the International Maritime Conference to deal in depth with problems of trade and transport. The knowledge that, thanks to technical innovation, a ship is now afloat the tonnage of which is greater than the combined tonnage of the merchant fleets of two developing countries, gives us suddenly a real idea of how the economic world is being fragmented and it is everybody's responsibility to maintain it united and prosperous.

In a society of new dimensions, there is no alternative but to measure up to the responsibilities that face us.