

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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STATEMENTS DELIVERED
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A. KEMPINAIRE, BELGIUM,
SECRETARY OF STATE FOR EXTERNAL TRADE

(Translation from French)

I am particularly happy to be able to confirm the participation of Belgium, as a member of the European Economic Community, in the multilateral trade negotiations that are to be opened within the framework of GATT.

These negotiations, like those that preceded them, are of particular importance to my country, whose traditional trade calling is well-known. This calling springs mainly from a geographic situation that has placed us historically at the cross-roads of major industrial and trade exchanges.

The diminutiveness of Belgium's territory, the high level of consumption of its very dense population (318 inhabitants per square kilometre), the paucity of natural resources, a domestic market too small for its industrial output - all these, among other things, explain why foreign trade is the principal motive force in the Belgian economy. Exports account, indeed, for nearly 43 per cent of the gross national product of Belgium, which, at international level, and despite its small dimensions, ranks ninth in absolute figures among the trading nations of the world.

These two orders of magnitude explain why in the past Belgium has always sought to promote a gradual dismantling of all obstacles to international trade and to take part in every initiative aiming at greater liberalization of trade.

It was in that spirit that, immediately after the end of the last war, Belgium, together with its Benelux partners, the Netherlands and Luxembourg, entered into the negotiations that culminated in the establishment of the GATT, of which it is a founding **Member**.

Belgium has also participated actively in each of the six major rounds of trade negotiations that have taken place since 1947 within the framework of the GATT.

In acceding in 1957 to the European Economic Community, Belgium was aware that the creation of that new entity and of the customs union implicit in it would make it possible, as is stressed in Article XXIV:4 of the General Agreement, to increase freedom of trade by developing closer integration between the economies of the countries parties to that new customs union.

The implementation of the Common Market has shown that, while trade among the partners in the Community has considerably expanded, overall imports by the member States from third countries have followed a parallel trend of annual growth, substantially exceeding the rate recorded prior to the establishment of the Community.

Thanks to the kind invitation of the Japanese Government, we are now assembled at Tokyo, in order formally to open a new negotiations conference which, under the auspices of GATT, will cover the international trade as a whole and will affect all categories of barriers to trade.

In June last, the European Economic Community defined its overall approach to the negotiations in question. The text adopted by the Community was distributed at the time of the deliberations of the Preparatory Committee at its meeting at Geneva in July last. I wish to confirm today Belgium's complete agreement with the content of that document.

In this connexion, may I comment briefly on the reasons that led us to adopt in two particular fields the solution that was ultimately agreed upon.

So far as action to be taken in the field of tariffs is concerned, the reductions made in the course of earlier negotiations nevertheless left substantial disparities between the rates of duty charged on like products by different countries at comparable levels of economic development.

Whereas a good many countries, including in particular most of the European countries with market economies, have brought down the level of their tariffs to comparatively low rates, other countries whose economic development is very advanced still maintain high tariffs on a good many products and thereby retain a comfortable margin of protection. A method of reduction applied without any corrective element would have the effect of eliminating all effective tariff protection in the first group of countries, while the others would maintain efficacious tariff barriers to imports. For that reason we consider that no further progress is conceivable in the reduction of tariffs without their harmonization.

In the field of non-tariff barriers, which were not touched upon during earlier negotiations, we consider that a major effort should be made with the object of establishing if possible among all the GATT countries arrangements making it possible to eliminate all barriers playing a significant rôle in international trade and to establish codes of good conduct with a view to identical application of the provisions of the General Agreement by all the contracting parties. We realize, for example, the extent to which the development of trade can be hampered by the uncertainties and differences existing in the application of customs regulations, as well as by the surcharges which place undue burdens on imports. This is the case, too, with a great many other non-tariff barriers. That is why I fervently hope that the negotiations to be opened will lead also in this field to substantial results.

Before concluding, I wish to stress the interest which my country has in seeing substantial advantages for the developing countries result from the negotiations.

The European Economic Community was the first to put into force a generalized scheme of preferences. Our desire is that, so far as possible, that scheme may be extended to a larger number of products and that the quantities admitted for import may be increased.

So far as primary commodities, which are of such importance to many developing countries, are concerned, our desire is that new agreements be negotiated and that an effort be made to ensure greater stability in commodity prices so as to ensure constant foreign exchange earnings for producing countries.

May I say in conclusion that my Government's hope is that the negotiations that are about to be opened may lead in all fields to the most fruitful results possible and make a substantial contribution, through greater development of international trade, to raising of the standard of living and to the happiness of the peoples represented here.

PETER WALKER, UNITED KINGDOM,
SECRETARY OF STATE FOR TRADE AND INDUSTRY

At this opening of the next round of GATT trade negotiations let me try and put them briefly in an economic and political perspective.

The last one was opened by a Ministerial meeting in Geneva in 1964. Before it finished in 1967 the challenge of the next decade was becoming clear. I doubt if even the most optimistic Minister attending the 1964 meeting would have predicted the immense growth in trade that has been achieved in the past ten years.

Few would have predicted the massive expansion and success of the Japanese economy and the impact that that would have upon the world's trading communities.

Few would have predicted the massive changes in the relative strengths of the world's major currencies that have been such a feature of the world economic scene in those past few years and probably none would have predicted with any accuracy the transformation in the price levels of a whole range of primary products, some of which have now increased in price more in one year than they had increased during the whole of this century.

What we now face is the challenge of the next decade from the mid-1970s to the mid-1980s. What can we do to shape world trade in that decade? That is what these negotiations are about. Some of my colleagues from the Community have explained the attitude of the world's largest trading bloc. Our credentials and our contribution to that are well-known. Britain perhaps as much as any country present has a deep and longstanding interest in the expansion of world trade. There can be few countries if any of our size that export half their manufacturing output.

There can be few countries the size of Britain that need to import so much from throughout the world and there is certainly no country of comparable size that imports so much from the developing countries.

With this background it is not therefore surprising that we are enthusiastic to see that this meeting is successful; that as many countries as possible enter the new round of negotiations and enter it with the objective of making substantial progress towards improving still further the world's trading relationships.

We must keep up the momentum of the GATT negotiations which have taken place periodically throughout the post-War period and have contributed so much to an era of expansion unparelled in the history of world trade.

It is vital that this meeting of Ministers agrees upon a declaration that recognizes the importance of the negotiations succeeding, that recognizes the improvement that will take place in world trading conditions if proper provision can be made for the developing countries and recognizes that the world's economic history indicates that unless one is moving towards the freedom of world trading the likelihood is that one will move backwards to protectionism, recession and economic stagnation.

We hope that the new negotiations will commence in November. We regret that the inevitable complexity of these negotiations will mean that we will not complete them before the end of 1975. All participating nations should do everything in their power speedily to bring negotiations to a conclusion.

We wish to see a further lowering of tariff barriers and we believe that this round of negotiations should be distinguished by its ability to deal with some of the more blatant non-tariff barriers that currently restrict trade expansion in both industrial and agricultural products.

Speaker after speaker has recognized the importance of progress both in the trade negotiations and with monetary reform. We share this view. It is vital that in both spheres speedy progress is made but I hope we will not make the mistake of those responsible for the trade negotiations devoting too much of their time looking over their shoulders at those conducting the monetary negotiations and likewise we would hope that those Finance Ministers engaged on the vital monetary negotiations will not be delayed in their progress by devoting their time to watching the trade negotiations. We need sure progress in both spheres and with goodwill this can be achieved.

It is certainly right to say that the impact of successful trade negotiations could be completely undermined by a failure to have a sensible and just monetary policy. It is equally true that the rewards of any successful monetary negotiations would be totally dissipated by the impact of protectionist and restrictionist trade policies should the trade negotiations fail.

The changes in the world scene from 1965 to 1975 - a period that will have been dealt with by the last round of negotiations - have indeed been dramatic. We are now dealing with the decade 1975 to 1985, a decade in which many of the developing countries can if we pursue the right policies participate in the world's prosperity to a greater extent than anything previously conceived; a decade in which the developed nations can also substantially improve the quality of living of their citizens. This is the prize that is available to us if this meeting, by the spirit it creates, sees that the negotiations are successfully concluded.

M.C. MICHALOPOULOS, GREECE,
SECRETARY OF STATE FOR FOREIGN AFFAIRS

(Translation from French)

I believe that the choice of Japan's capital as the venue for our meeting should be considered as particularly auspicious, for Japan has proved to the world that a pragmatic approach to economic problems, far removed from any dogmatic considerations, constitutes an essential factor leading to success.

I should also like to express my appreciation for the very substantial work done by the Preparatory Committee under the resolute and enlightened guidance of its Chairman, the Director-General of GATT, Mr. Olivier Long.

The need for multilateral trade negotiations has become increasingly evident over the past few years, both because of structural difficulties encountered in international trade and because of changes in the general framework within which international trade was carried on. It therefore became clear that there was a need to revise certain golden rules in the field of the international economy and of trade.

The presence at this meeting of statesmen having policy-making responsibilities in their country is also evidence of the importance attached to the task before us - to readjust the conditions governing international trade in such a way that Hermes, the God of ancient times who from earliest history has symbolized trade and exchanges, may operate with the necessary flexibility and in the conditions of equilibrium that are so necessary for the normal functioning of existing world trade mechanisms. For many things have changed since the Kennedy Round. The mandate that we shall entrust to the Trade Negotiations Committee is therefore of a particularly important character, and in this connexion the draft declaration constitutes a satisfactory starting point.

I am convinced that the two or three points on which differences still exist will be clarified before the end of our work, and in the realistic spirit that so many earlier speakers have manifested.

One of the most important problems that we shall have to face is that of the developing countries, whose economies present particular features that are well-known, in respect of the gap that separates them from the developed countries, and also the nature of their sources of income.

The position of the Greek Government on this subject was stated on several occasions during the work of the Preparatory Committee. My Government is convinced of the need for multilateral trade negotiations, and intends to participate therein.

It hopes that the advantages granted to the developing countries will prove to be a true motive force for expanding their trade and for consolidating world peace by means of a more balanced distribution of trade between developed and developing countries.

In this task, all countries should bear in mind that it is essential to seek solutions along the middle path, situated between the search for reciprocity and the search for unilateral concessions, wherever the conditions do not allow application of the principle of reciprocity either in full or in part.

As regards the regional agreements and association agreements entered into by developing countries with other countries, Greece believes that such agreements create conditions conducive to expansion of trade, including trade with countries not parties to the agreements concerned, provided they are consistent with the GATT rules.

Greece is associated with the EEC on a customs union basis, and is observing the time schedule established by the agreement in the perspective of acceding to the Rome Treaty. In addition, Greece remains firmly attached to the principles of close collaboration at the level of world trade.

My country is of the opinion that, where tariffs are concerned, the desirable approach toward trade liberalization should be in the sense of a linear reduction of tariffs in conjunction with harmonization. Nevertheless, the possibility of reductions by sector should not be excluded. We do not believe that full elimination of tariffs should be an immediate objective.

Furthermore, we should not lose sight of the fact that in recent years non-tariff barriers have taken on more and more relative importance. We must therefore give serious consideration to these.

Turning now to agricultural problems, we should give them particular attention and seek solutions corresponding to the high degree of sensitivity which characterizes them, sensitivity that derives from social, political and human factors in conjunction. Nor should one lose sight of the fact that the countries at the initial stages of their development are countries with a primarily agricultural economy, while the countries that have already achieved an advanced stage of development, although relying on industrial output for a substantial part of their earnings, are still dependent on their agricultural production and have to take this into account because this sector of their activity still plays an extremely important rôle in their economy.

Re-examination of the safeguard clauses is undoubtedly needed. We have heard views expressed as to the need for a stricter definition of these clauses and for more equitable and rational application of them. Greece considers that certain improvements are possible.

Much has been said about the need for monetary stability without which the results of the trade negotiations would be negligible. While we concur in this view, we consider that each of the two negotiations should follow its own course and that they should unfold in parallel. Indeed the international economic order could not be restored unless the two aspects of the major world economic problem were solved.

In conclusion, may I express the hope that, over and above the results that emerge from the work of the Trade Negotiations Committee, the negotiations will prove useful in a broader context, for the world community. I trust that they will contribute to promote the spirit of co-operation, progress and peace to which all mankind aspires.

ION STOIAN, ROMANIA,
VICE-MINISTER OF EXTERNAL TRADE

(Translation from French)

We are living in an era where economic interdependence as between countries, and likewise the significance of trade, for the economic development of each individual country, are clearly increasing. At the same time, we are witnessing trends that are inconsistent with the free and untrammelled development of trade among all countries, and phenomena of monetary instability that give grounds for serious concern and are determined in the first instance to the interests of developing countries. In this context, new multilateral trade negotiations are to be welcomed.

Romania, as a developing country, attaches particular importance to these negotiations within the framework of GATT which, as we see them, should contribute to the expansion of world trade, to the attainment of a more just and more equitable international division of labour, and to the implementation of concrete, immediate and efficacious measures in order to support the efforts of the developing countries to reduce and eliminate the gaps that separate them from the developed countries.

The Romanian delegation supports the draft Declaration, considering that it affords a starting basis and a framework for the coming negotiations. Romania would have wished the draft Declaration to take account to a greater extent of the concerns of the developing countries. If that wish has not been fully realized so far, we hope that at this ministerial meeting and likewise in the negotiations as such, new solutions favourable to the developing countries will be found.

In the view of our delegation, the coming multilateral trade negotiations should lead to a new and extensive liberalization of international trade, to the elimination of barriers and discriminations and, as a matter of prime importance, to the immediate elimination, without any counterpart requirement, of all discriminatory quantitative restrictions and other barriers inconsistent with the provisions of the General Agreement.

Attainment of such an objective necessarily implies that the negotiations should cover all products and all types of tariff and non-tariff barriers; having regard to the importance of the agricultural sector for the exports of many countries, particular attention should be given to identifying, in a spirit of co-operation, appropriate solutions for overcoming the difficulties existing in trade in these products.

As regards the relationship between the trade negotiations and the monetary negotiations, our delegation is of the opinion that it is essential to recognize the interdependence of these two fields and the close relationship existing

between them. That is precisely why rapid and substantial progress is clearly necessary in the two fields simultaneously, in order to avoid reciprocal hold-ups and a situation in which results achieved in one field would be nullified by lack of progress in the other.

Socialist Romania has achieved remarkable results in the past twenty-five years in every field of social and economic activity. Nonetheless, it is still a developing country which is separated from the developed countries by many important differences.

My country has made and will continue to make special efforts to diminish those differences. More than 30 per cent of our national income is earmarked for economic development; efforts are being made to intensify Romania's participation in international trade and in the international division of labour.

At the national level, the Romanian Government has taken numerous measures with a view to continually improving methods of planning and of management of economic units, and to increasing the autonomy of such units; the necessary conditions have been established with a view to ensuring a closer link between the domestic consumer and the world market. In the context of these measures, legislation was recently enacted which provides for the introduction of a customs tariff with effect from 1 January 1974.

Romania's accession to the GATT, and subsequently to the IMF and the IBRD, underlines our country's desire to take an active part in the world circulation of values, and in the development of trade and international economic co-operation.

Such measures are quite naturally the expression at the economic level of our country's policy with a view to developing as extensively as possible its relationships with all countries, whatever their social and economic system; on the basis of the principles of independence, sovereignty, non-interference in internal affairs, respect of the sacred right of self-determination of each people without any pressure or interference in its internal affairs.

The visits made by Romania's Head of State, President Nicolae Ceausescu to a number of African and Asian countries, the visit he is at present making to Latin American countries, visits and other contacts with statesmen in Europe and the United States are the expression of these principles and of our country's determination to develop its relations with all countries of the world and to increase Romania's participation in the international division of labour.

The Romanian delegation considers that the forthcoming negotiations should include among their essential and priority objectives the solutions to be found to the problems facing developing countries, in such a way that those negotiations may make a fundamental contribution to reducing and eliminating the gaps separating them from the developed countries, and at the same time contribute to implementation of the objectives of the second Development Decade of the United Nations.

Provisions in favour of developing countries should become basic rules of the General Agreement, not exceptions to that Agreement.

The developing countries should enjoy additional advantages on the basis of preferential treatment, (regardless of the name given to such treatment) without reciprocity and without discrimination among countries at a like level of development, notwithstanding their social and economic system and the geographical area in which they are situated. Within the context of the negotiations, Romania expects to receive the same treatment as all other developing countries at a like level of economic development.

Priority should be given, within the framework of the negotiations, to products of particular interest to developing countries and to elimination of the barriers affecting their exports.

We believe that special attention should be given to a substantial improvement in the Generalized System of Preferences by broadening the range of products included in the system, enlarging the margin of preferences and eliminating quantitative restrictions applied on preferential imports. Furthermore, the negotiation techniques adopted should be designed to avoid any erosion of the advantages accruing to the developing countries from the Generalized System of Preferences.

As regards products not covered by the Generalized System of Preferences, further progress should be made, in our view, toward a substantial reduction in tariffs, such reduction to be immediately and fully applicable to developing countries.

Similarly, resolute action is necessary in the coming negotiations with a view to the broadest possible reduction and the elimination on a preferential basis of non-tariff barriers that hinder the exports of developing countries.

Before concluding, I should like to express our satisfaction at the fact that participation in the negotiations is open to all countries wishing to participate therein, whether or not they are contracting parties to the General Agreement.

The participation of all States in major economic negotiations, on a basis of effective equality, and likewise action designed to prevent unilateral action inconsistent with the multilateral arrangements are a necessity for true democratization of international life. In our view, if meaningful and durable results are to be achieved in the context of the negotiations, and if international economic co-operation is to be further developed thereafter, we must create the necessary conditions so that the smaller and middle-sized countries may fully and effectively participate in the elaboration and adoption of decisions to be made at international level concerning the economic, commercial and monetary questions that are of vital significance for their interests.

It is our hope that the coming multilateral trade negotiations will yield major results in furtherance of the continuing expansion of international trade and the elimination of existing gaps between the highly developed and the developing countries, while contributing to efforts to ensure economic and social progress, the well-being of all peoples, and international peace.

P. J. PATTERSON, JAMAICA
MINISTER OF INDUSTRY, COMMERCE AND TOURISM

Jamaica, together with Barbados, Guyana and Trinidad and Tobago has recently participated in the formation of a Caribbean Common Market which we confidently expect will be expanded in membership in the very near future. Our size as individual units has dictated to us the need for economic co-operation in the Caribbean area. All our countries depend heavily on the export of agricultural and mineral products. At the same time we are seeking to diversify our economies through the export of manufactures and semi-manufactures.

In view of the importance to our economy of greater export opportunities Jamaica has much to gain from a successful outcome to this meeting. Our interest, is especially heightened by the fact that these negotiations, in scope, product coverage and degree of participation, appear likely to be the most comprehensive negotiations ever held under the auspices of the C.M.E.

We are particularly appreciative of the work done by the Preparatory Committee in Geneva under the able Chairmanship of the Director-General of the G.A.T.T. It is my understanding that for the most part the developing countries, while not fully satisfied with the Draft Declaration, recognize that some progress has been made in creating conditions for their participation in the multilateral trade negotiations. Over the last 10-15 years we have consistently sought in international forums to achieve recognition of the urgent need to improve the standard of living of our peoples. In the struggle UNCTAD has played a major rôle and I wish to pay a special tribute to them for their part in this development.

My delegation wishes to elaborate on three issues referred to in the Draft Declaration which we regard as being of particular importance not only to the Caribbean countries, but to all developing nations.

It is stated in the Draft Declaration that the tariff negotiations on raw materials in primary form or in any stage of processing shall cover all measures which impede or distort international trade in these products. In this respect we would like to see a special effort made to eliminate the practice of tariff escalation applied by all developed countries to processed or semi-processed materials exported by developing countries. Under this system the duty payable on primary products increases with the degree of processing. This tariff policy has tended to inhibit the development of industries in the developing countries based on the processing of their indigenous raw materials. It has prevented us

from diversifying our exports and from earning the extra income to be derived from the higher value added of processed goods.

We consider it to be a matter of the highest priority that this obstacle to the industrial development of our countries should be removed. What the developing countries are seeking in these negotiations is full recognition of their right to process and export their own raw materials without being penalized for so doing by the escalation of tariffs at every stage of processing. A departure from the traditional difficulties in this area would open new vistas in industrialization possibilities for the developing countries.

An excellent example of how protective tariffs have hampered the processing of basic raw materials in developing countries is the example of the cane sugar industry. In industrialized countries all over the world there exists a great differential between the duty on raw sugar and that on white sugar which renders it virtually impossible to establish sugar refineries in developing countries. Consequently, developing countries export only raw sugar. It is shipped overseas for processing into white sugar in refineries located in industrialized countries in the temperate zone. This is clearly uneconomic, as white sugar can be produced more cheaply directly from cane sugar in a continuous process, in the same way as it is traditionally done in the case of beet sugar in the developed countries.

The time has clearly come when everything possible must be done to change this unhealthy state of affairs. We believe that the multilateral trade negotiations should secure the phasing out of this form of tariff escalation over a period of years. Such action would in itself set the stage for a new and long overdue division of labour between developed and developing countries.

Another point of substance on which we feel that the Ministerial Declaration should focus is the question of revenue duties and fiscal charges on tropical products. We are fully aware that the GATT has attempted in the past to deal with this question but has so far failed to find a solution. But how long shall the developing countries be required to accept the proposition that products from their soil should be used as a means to enrich the treasuries of the developed countries which obtain revenues of the order of some \$1 billion annually from this source? The taxation of our tropical agricultural products by the industrialized countries for revenue purposes is completely out of tune with the philosophy and spirit which should govern the relations between developed and developing countries. We suggest therefore that in the course of the trade negotiations agreement should be reached for the phasing out of these taxes over a reasonable period of time.

I come now to the third point to which I wish to invite attention. It is that the multilateral trade negotiations should include measures designed to achieve stable, equitable and remunerative prices for primary products. While it may appear at this time that prices for some primary products have strengthened, the fact is that over the same period of time the prices of commodities from the temperate zone and of manufactured products from the industrialized countries, which we import, have risen far more steeply. The result has been an even more pronounced deterioration in our terms of trade. The moderate increases in the prices of our commodities are therefore more illusory than real.

In the Report of the Preparatory Committee, the European Economic Community is reported to have expressed once again the view that the best way to achieve stability in world commodity markets is through international commodity agreements. We could not agree more with the principle, provided however that one point is clarified. It is our firm conviction that the basic aim of modern commodity agreements should not be price stability per se but stabilization of the purchasing power of the commodities concerned. Since the 1960's there has been as a rule an enormous decline in the real values of commodity prices. This has seriously hampered the economic growth of the developing countries since we are in practice large importers of manufactured and semi-manufactured consumer and capital goods from the developed countries. The prices of these consumer and capital goods have on the other hand been greatly increased by domestic inflation in the developed countries.

The developed countries must realize that the capacity of developing countries to purchase machinery and other industrial goods depends upon fair and remunerative prices in real terms for their primary goods export. Together with other developing countries Jamaica pressed in the first session of the United Nations Sugar Conference for application of the principle of the stabilization of the purchasing power of the developing countries. This is not a new approach. It has long since been accepted in the developed countries. The whole agricultural policy of the developed countries with its systems of price support and parity indices is designed to guarantee to their farmers stabilization of their purchasing power vis-à-vis the industrial sector of their economies.

What is needed now, is to reach in the multilateral trade negotiations a general agreement on commodity policy setting out the procedures, arrangements and mechanisms to achieve stabilization of the purchasing power of primary commodities. Such a general agreement would serve as a guideline for consultations and action on individual commodities. A general code which could not be negotiated in the past either by the GATT or UNCTAD should now supersede the current approach to commodity agreements which tends to be guided by principles long since obsolete.

In conclusion, my delegation expresses the hope that the Governments represented here will manifest the determination and political will necessary to undertake the task of establishing a restructured and outward-looking multi-lateral trading system. We the developing countries are willing to co-operate closely with the developed countries in designing new measures to accelerate the growth and development of all countries. We sincerely hope that these multilateral trade negotiations will produce a genuine breakthrough for the developing countries within the GATT. My delegation pledges its wholehearted co-operation in efforts to secure the success of these vitally important negotiations.

MATTEO MATTEOTTI, ITALY,
MINISTER OF EXTERNAL TRADE

(Translation from French)

As in the past, the Italian delegation considers that a new initiative by GATT is necessary, with a view to reconsideration of the problems arising from present international trade relations.

We are glad today to see that there emerges a possibility for broad measure of agreement in this sense. We hope that the negotiation to be undertaken on the various problems will be crowned with success. I take this opportunity to thank the Director-General of GATT and all those, whether in or outside the organization, who have contributed to drawing up the preparatory documents for these negotiations.

The Council and the Commission of the European Communities have already made known the concerted views of the member States in regard to these documents, as well as the conditions, objectives and techniques which the negotiations should aim at.

The Italian delegation wishes to say how it envisages the state of international trade relations and the direction in which it considers that the negotiations can be oriented, so that the desired broader liberalization of trade may be associated with stability and continuity.

While the present state of international trade relations can be considered satisfactory in some respects, nevertheless it includes negative factors that can involve outdated forms of protectionism that will not, perhaps, remain isolated in time and in terms of their objects. In this connexion the Italian delegation is convinced that if liberalization is to progress, and even continue at its present level, there must be common undertakings on all the elements of commercial policy. Such undertakings should cover the various aspects of national economic policies, thereby reorganizing or restoring the fullest international co-operation which, in the early 1950s, made possible the very considerable expansion of the trade and economies of the industrialized countries.

The Italian delegation is in favour of tariff reductions, provided they fulfil the necessary conditions for more equitable competition and with a view to better utilization of the resources of each and every one.

It considers, nevertheless, that such an approach should act as an incentive on the productions and consequently the trade flows for which the developing countries could gain a larger share of world markets.

We are also in favour of the reduction of non-tariff barriers with a view to eliminating or reducing their trade restrictive effects.

Where other barriers to trade are concerned, consideration should be given to dominant positions resulting from advanced technological levels. One problem that has become essential concerns the variations in exchange rates that can nullify advantages or concessions resulting from tariff negotiations. Not all these problems can be dealt with during the negotiations. In particular, monetary issues - progress in which will have to be broadly taken into account during our coming discussions - will have to be examined in the appropriate fora with a concern for globality and parallelism.

We are currently in an extremely delicate and dynamic phase. Some long-established political and ideological demarcation lines are fading, and international groupings are no longer static. The monetary system has lost the simplicity and usefulness of the Bretton Woods organization, and needs to be reorganized. Management of national economies has become more difficult because of the disturbances caused by external influences to the economic policy objectives of each system. That being so, one should not be surprised at the reawakening of forces opposed to the progress of trade liberalization. We may recall here what Cordell Hull said years ago: "Autarky is voluntary impoverishment".

There are several aspects to protectionism. It is traditionally applied to imports with a view to eliminating foreign competition; but the world shortage of some products poses a new and exceptional problem that calls for provisional measures, also of an exceptional character.

This is another chapter for the GATT's field of responsibility, and it would be useful if this problem too could be taken up, in order progressively to arrive at a discipline of export controls concerted at international level.

Be that as it may, the problem of the new negotiations will be the search for the equilibrium that each State or group of States is desirous of achieving in the light of two conflicting ultimate goals: to open markets to foreign competition on the one hand, and to protect less competitive economic sectors on the other hand.

An essential element for this complex operation of commercial policy is the system of safeguards, and the preparatory discussions for this conference have clearly shown how it conditions any future liberalization. Within this context, it still remains to specify the nature and the rôle of measures to be provided in a legal and operational system governing international trade. While on the one hand, it is indeed justifiable to contain the onslaught of inordinate competition, by adequate temporary measures, it is likewise in the general interest to promote the adjustment or restructuring of sectors that are in difficulty.

Now, if we accept to view quotas and restraints as instruments that are sometimes necessary in order to meet interim or emergent situations, their **indefinite** continuance would represent a return to those obstacles to competition beyond which there is a risk of consolidating parasitic industries, unjustified income and an irrational distribution of resources.

We believe, moreover, that resort to the safeguard provisions will progressively become less necessary to the extent that international economic co-operation is pursued and enlarged.

Discussion on the future system of safeguards cannot ignore the expectations of the developing countries, whose strength often lies in the high competitiveness of some of their exports, which are, moreover, a unique incentive for the development of the respective systems. If competition is hampered by means of quantitative controls on trade flows, often with the forced consent of the exporting country, in the long run the exporting nations would have no choice but hold in check their growth, their expansion and welfare.

We hope that with the aid of a frank and fair confrontation of all the interests and intentions present, these negotiations may not only settle existing difficulties, in the spirit of solidarity that GATT has built up over a quarter of a century, but also establish firmer bases for the future international regulation of trade. Indeed, this system will have to encourage overall expansion of trade and likewise respond to the new requirements deriving from the evolution of economic, political and social relations throughout the world.

AGUSTIN COTORRUELO, SPAIN,
MINISTER OF COMMERCE

When the statements issued jointly by the United States and Japan and the United States and the EEC launched the constructive initiative concerning the holding of Multilateral Trade Negotiations, with a view to seeking greater freedom of trade, an increase in exchanges and hence a fairer international division of labour, it received, at that time, the firm support of many countries and particularly that of nearly all the Contracting Parties of the GATT.

Spain has never failed to support this policy at the various international meetings held so far, and at which this subject has been brought. In particular, she expressly said so at the twenty-eighth session of the CONTRACTING PARTIES.

The Preparatory Committee for these Negotiations has been meeting throughout 1973 and has supplied us with a detailed report on the work done by the committee, on which it is to be congratulated; I must also congratulate the various GATT committees whose reports on this matter are attached as supplements to that of the Preparatory Committee. Furthermore, I should like to underline the help given by the secretariat of the GATT, and particularly by the Director-General in chairing the Preparatory Committee. Thanks to his efforts it has been possible, on many occasions, to reach general agreement on points on which there existed marked differences of opinion between the would-be participants.

Various rounds of multilateral trade negotiations have been held within the framework afforded us by the General Agreement, but none in the pressing circumstances or with the special characteristics announced for the coming negotiations.

Indeed, both in the field of the present reality of international trade and monetary relations and in that of the multilateral institutional framework that governs them, there have appeared several substantial changes which must need be borne in mind when considering the coming round of negotiations.

- A spectacular 500 per cent growth of trade exchanges in the last twenty years, with a growth of roughly 10 per cent from year to year.

- A substantial modification of the structure of trade flows, coinciding with the appearance of new trade big powers or blocs.

- The increasing interdependence of the economies of all countries, a consequence of the above-mentioned facts has contributed to the spectacular growth of the world output. Nevertheless, growth has not been the same for all, especially for the developing countries, and the creation of wider markets has not offered the latter fresh possibilities for increasing their exports and progressing along the path to economic development.

- We developing countries are fully aware of the relative stagnation of our economic development, for which no means or tools powerful enough to overcome it have been offered. This we have asserted in various international fora.

- In the last few years, several new phenomena have emerged on the international trade scene: the instability of the international monetary system, which is rapidly deteriorating, the appearance of the relative scarcity of certain basic products, both mineral and agricultural, the serious problems posed by pollution in all its aspects, the steady growth of widespread inflation, which was unknown in the period of relative peace we have enjoyed during the past twenty years.

All these new phenomena could not help leaving their mark on the multi-lateral framework within which the international trade currents develop, and even more seriously, on the attitudes of certain countries and on the ideals and convictions held by many of them and which formed the basis and foundations on which the framework was erected.

To put it bluntly, the appearance of strong protectionist trends in the developed countries and the pursuit of selfish aims, without worrying at the same time about ensuring equitable profits for the remaining countries in the International Community, have broken out on the field of world trade, which is a matter of grave concern.

If these currents or trends were consolidated, if this economic and trade nationalism triumphed, a trade war might ensue, with fatal consequences affecting each and every one of the countries here present.

Instead, we believe that the path to take should be that of strengthening the ideals, the general principles and the basic aims on which the General Agreement was founded and which made of it a highly effective tool for solving so many trade problems, the fruit of which was the great expansion of trade I referred to earlier.

However, these principles of the General Agreement could only give the desired results if the trade and economic strength of the countries present were of similar level. This is not so, since the timid formula of new Part IV of the General Agreement has unfortunately had little practical results.

Our opinion was that these negotiations now beginning provided the opportunity of applying the necessary correctives to the aims and principles of the General Agreement, so as to allow a greater balanced equality among all the participating countries, in order that all might benefit from the further liberalization and expansion of world trade.

On the grounds of these preceding considerations, the Spanish delegation has, throughout the discussions entered into by the Preparatory Committee, proposed that the Ministerial Statement we have in front of us today, should include the new principles which, added to the traditional ones, would give these negotiations the meaning sought after by developing countries.

These principles are:

- Universality of participation, without distinguishing between member countries and non-member countries, and without demanding previous or subsequent commitments from the latter.

- Differential treatment for developing countries, with a view to attaining a fairer, more balanced world, while at the same time achieving a wide range of possibilities for trade exchanges.

- Non-reciprocity, that is to say, not to demand identical efforts from countries with different degrees of development.

- Non-discrimination between countries with similar degrees of development, on the basis of socio-economic criteria accepted beforehand and on an international scale.

The Ministerial Statement presented to this assembly does not satisfy me completely because it does not include these principles in all their extent. Hence the task commended to the Negotiations Committee, whose job it will be precisely to interpret and put into operation the ideas contained in an ambiguous manner in this Ministerial Statement, takes on, in my opinion, a great importance.

However, I should like to make a brief examination of the Draft of the Ministerial Statement, outlining the views of my Government on various aspects of the coming negotiations and the interpretation that I believe should be given to the ideas contained therein.

As far as the aims (point 2 of the Statement Draft) are concerned, we are, in principle, in agreement with them.

Concerning the developing countries, I believe that the contents of the second paragraph of point 2 are not as ambitious and precise as they might have been. They should therefore be thought at in the light of the points I have raised at the beginning of my statement.

With regard to the principles on the basis of which the Negotiations are to be conducted (points 5 and 6 of the Statement Draft), we are pleased that the Ministerial Statement includes the formula envisaged in Article XXXVI:8 of the General Agreement, bringing out relative reciprocity. I heartily agree and believe that it is only fair that developing countries should not be asked to make contributions incompatible with the demands made on them by their development, its financing and the needs of their foreign trade. Instead, the contributions compatible with these needs will be equitable, thus giving rise to the concept of relative reciprocity.

Nonetheless I feel that the Negotiations Committee should specify a little more accurately the scope of this relative reciprocity so that the developed countries may define their positions with respect to the matter.

Indeed, alongside the neatness involved in the principles of mutual benefit, mutual obligation and overall reciprocity ruling the negotiations between developed countries, the principle of relative reciprocity is very much conditioned.

If, as seems normal and logical, every developing country were to define its own needs, there would be no objection to raise. But if, instead, these needs were to be determined in each case by means of discussion between the developing country and the developed countries that negotiated with it, it would be absolutely vital to know the criteria on the basis of which those needs were assessed.

A suitable formula, and one that we offer for the future work of the Negotiations Committee, is that of making a slight variation in the sentences included in the Ministerial Statement in the following way: "Countries shall not make contributions, incompatible, if they so deem them, with the needs of their development, their finance and their trade".

We give our full support to the reference of maintaining and improving the Generalized System of Preferences, but in all its scope, and classing the completion of the list of beneficiaries as an improvement. I believe that any country that qualifies itself as developing country, no matter the geographical area in which it is located or the socio-economic régime existing there, may be a beneficiary. Only in this way shall we achieve a genuinely Generalized Preferential System and one that does not cause further distortions in international trade.

We fully support the whole of point 6, which includes the exceptional principles to be applied to relatively less developed countries. This paragraph endorses certain resolutions unanimously adopted at the third UNCTAD Conference, where acknowledgement was given to the special situation of these countries, to which one must add land-locked developing countries as well as sea-locked ones.

In short, I understand that there are two principles included in the Ministerial Statement, referring to developing countries: (a) the principle of relative reciprocity in negotiations between developed countries on the one hand and developing countries on the other; (b) the principle of non-discrimination between developing countries in a similar situation; a special exception to be made of the least advanced of the developing countries, which shall enjoy exceptional benefits.

The scope of the Multilateral Trade Negotiations (point 4 of the Draft of the Ministerial Statement) and the range given to them would appear to me to be sound ideas, as all barriers and all products are included in the negotiations.

I therefore understand that no product will be excluded from the negotiation, whatever its special features or those of its trade may be.

The negotiations will cover all agricultural products, both raw and processed, tropical or temperate zone, and all industrial products. Owing to the importance I believe this point has, may I insist on it, by adding that we must not exclude from the negotiation, as has happened on other occasions, the industrial products with a low degree of technology of the labour-intensive industry, which are the typical ones of developing countries. This is so given their lesser technological progress and the low level of wages which they have unfortunately still not been able to overcome.

Likewise, the negotiations must tend to abolish or at least to lessen the impact on trade currents produced by the new store of protectionist measures that have proliferated as the traditional barriers, tariffs and quotas, have declined in importance, owing precisely to the application of the General Agreement.

The techniques indicated for the negotiation (point 3 of the Draft of the Ministerial Statement), aiming at achieving the targets set, have not been developed as might have been desired. I therefore take the opportunity of dealing with them in more detail.

In dealing with tariff barriers, I understand that when "negotiation" on these barriers is mentioned, it is taken for granted that that means reducing them or at least lowering their average level. Although in principle I should prefer, on this point, a negotiation with linear reductions because it is easier and because the GATT already has experience of it, I do not discard any other technique that might be used, always bearing in mind the handling of this subject from the point of view of effective tariff protection.

When the subject of non-tariff barriers is broached, the formula used is a very complete one, as it considers not only the abolition or lowering of the barrier itself, but also the possible diminishing of its harmful effects, under international control or supervision.

Regarding the sector approach broached in paragraph (c) of point 3, it must be pointed out that this technique appears to be acceptable, and that there are precedents of negotiations based on that technique within the GATT. In particular, new regulations are currently being studied for textiles as a whole to replace the Long-Term Agreement for Cotton Textiles. It is expected that these new GATT textile regulations will emerge as an agreement, in principle before 31 December of the year in course. Hence, by applying the sector technique, a negotiation is going to be completed before the Multilateral Trade Negotiations really begin. I believe that this negotiation should be incorporated in the context of the Negotiation Round and that therefore any

limitation imposed on the exportation of textiles must and may be the subject of compensation "a posteriori" in other fields within the framework of these Multilateral Trade Negotiations.

The problem of the safeguard clause and the possible reform of Article XIX is unanimously acknowledged to be one of the most difficult problems facing the coming multilateral trade negotiations and one of those that cause developing countries most concern. The Preparatory Committee's report points out the various aspects and problems to be noted in connexion with the application of the safeguard clause. I should like to take up one of those aspects, which, in my opinion, is fundamental and that is the possible interplay of the principles of "non-discrimination" and "selectivity". On imposing a control on importation, invoking a safeguard clause on account of the existence of distortions in the domestic market of a certain product, it would be necessary not to discriminate among all the exporting countries, whose exports of the same product cause no damage or distortion. In fact, it would be difficult to imagine a particular national product which would not be competitive with some of the countries producing the same good; logically there will always exist countries exporting this product whose prices do not cause any distortion and their licit exports must not be stopped. In short, I am of the opinion that the principle of "non-discrimination" should be clarified by one of "selectivity" and that it would be up to the panel of international control to decide in each case the countries to which the application of the safeguard clause should be extended to.

The negotiations about agricultural products are of special interest to my country and we therefore support the idea that it should be as general as possible, including not only raw products but particularly processed agricultural products of such importance for a large number of developing countries. I agree that the tropical products sector should be considered of top priority, but that is no reason why we should overlook the fact that it is vital to achieve an equal amount of progress in the sector of temperate-zone agricultural products, of interest to another sizable group of developing countries.

In the field of negotiations on agriculture, stress must be laid on the importance for most developing countries to achieve a rapid expansion in the trade of these products, in stable markets and at remunerative prices, because up to now, very little has been done in that direction. At the same time, it will be absolutely necessary to bear in mind the special characteristics and economic conditioning factors of this sector, as well as its specific problems, which have such loud repercussions not only on the economic side but on the social side too.

As regards points of procedure (points 1, 10 and 11 of the Draft of the Ministerial Statement) for the Multilateral Trade Negotiations, I agree in principle with the setting-up of a Negotiations Committee, which is to begin its work before 1 November next and which I hope will be able to finish it by the date fixed, that is by 1975.

Although I agree with the tasks indicated for the committee, I believe that, for the sake of generality, the precision that the mandate granted could have had, has been lost.

At the time, my country's delegation suggested that, among other tasks, the Committee must make quite sure that the precepts contained in point 8 of the Ministerial Statement, one of the few points to receive widespread agreement from the outset, were obeyed. We likewise trust that the Committee will not only draw up special procedures for negotiations between developed and developing countries, but will also keep a close watch on the proper application of those procedures, so that the developing countries may obtain the additional benefits promised in the Ministerial Statement.

In this way, an answer would be given to certain queries that many of us developing countries have had hitherto, especially that of the interpretation to be given to the principle of relative reciprocity, which has so far conditioned, to a large extent, the participation of those countries in the negotiations.

Leaving aside the rôle of the Committee, may I make a suggestion to all the other developing countries, which, if it were accepted, I believe would permit a further improvement of the results to be obtained from the Multilateral Trade Negotiations.

I am referring to the Protocol passed this year by the GATT, which received, at the time, the corresponding waiver of the CONTRACTING PARTIES, and which allows the developing countries to negotiate mutual concessions, not applicable to developed countries. If, parallel to the Multilateral Trade Negotiations, another round of negotiations among developing countries were started, there could be achieved wider and deeper concessions than these countries could grant among themselves, as they have not to extend them to the developed countries. In this way, the developing countries could make an additional effort in search of the expansion of their foreign trade and a greater participation in world trade, without appearing solely as beneficiaries of further or larger concessions from the developed countries.

The principle of relative reciprocity could also be applied to these negotiations; in other words, the more advanced developing countries would not expect total or complete reciprocity for the commitments entered into with the less advanced countries within this group.

Relating to the reform of the international juridical framework (point 9 of the Draft of the Ministerial Statement) that governs trade exchanges, we reiterate our support of the principles contained in the General Agreement, which have largely fulfilled our hopes in that direction. Nevertheless, as we have pointed out, the recent emergence of new phenomena perhaps makes it advisable to seize the opportunity offered by these negotiations for introducing the modifications that seem fit in the light of what has come up in the Multilateral Trade Negotiations, always bearing in mind the aims of seeking greater liberalization of international trade, while laying down, at the same time, the necessary premises for achieving a balance among both developed and developing countries, greater than that which has so far existed.

One of the aspects of the international juridical framework which is most obviously in need of reform is that of the international monetary system (point 7 of the Draft of the Ministerial Statement), which governs the payment of goods and products, the core of world trade.

Greater freedom of trade will no doubt influence the process of adjustment of the international monetary system, but it is also obvious that a stable, lasting monetary system must be achieved, one that will protect the world economy from the brusque movements and imbalances currently upsetting it. We believe therefore that parallelism or simultaneity in both processes would be the ideal target, to which we should devote all the means at our disposal, but always taking into account, when studying the subject, the problems of developing countries.

Thus it is to be desired that, by the time the negotiations have finished, there should have been achieved, within the competent international body, a stable monetary system, which is the undeniable necessary preliminary step towards consolidating the benefits and the lowering of trade barriers that might result from the Multilateral Trade Negotiations.

In short, my Government's view on what these Multilateral Trade Negotiations ought to be and the outcome they should have for world trade is that of reaching a fair, equitable balance of the concessions made by all the countries in the International Community.

This balance is to be given a firm sense of stability, on the grounds that the benefits to be reaped from the greater liberalization and expansion of trade far outweigh the sacrifices and concessions made by each country in the course of the Negotiations to attain these goals.

Finally, and regarding the future of world trade, we want neither clashes between great economic blocs, which could lead in a more or less long-run to a trade war, nor the creation or expansion of new spheres of influence, but a

balance based on co-operation and mutual aid, arising from the growing inter-penetration of economies and the greater inter-relation of each and every one of the countries in the International Community.

On behalf of my Government, therefore, and as the member responsible for running and carrying out the foreign trade policy of my country, it gives me great pleasure to announce that we shall shortly communicate to the Director-General of GATT Spain's participation in the Multilateral Trade Negotiations.

JULIO A. LACARTE MUÑOZ, URUGUAY,
AMBASSADOR, MINISTERIAL REPRESENTATIVE

(Translation from Spanish)

Never has a GATT Ministerial Meeting brought together so many countries and ministers, and this fact alone is an indication of the importance of the proposed multilateral trade negotiations which will have far-reaching effects in coming years.

This could not be otherwise, for the events occurring on the world political and economic scene all underline the phase of change that we are experiencing.

In addition to an unprecedented increase in standards of living and in trade, there have been readjustments of strength which make it necessary to reformulate the trade systems established since 1945, together with the events in the overall military and strategic field whose repercussions on economic relations are becoming daily more perceptible.

These facts together make up the backcloth for the financial crisis that is besetting the world economy and that we, least of all, must not lose sight of at the moment when the trade negotiations are being launched which are the reason for our presence in Tokyo.

But there is more: another problem is now emerging that may well present new characteristics and whose effects on trade are incalculable, I refer to the shortage of a growing number of raw materials and foodstuffs that are essential elements for the economies of everyone - industrialized countries and developing countries alike.

The increase in standards of living and consumption, in conjunction with an unprecedented population explosion, creates conditions different from those that prevailed in earlier periods of shortage; in other words, our incipient problem may well turn out to be a structural one, with all the sequences implicit therein.

Whatever the essential reason for this trend, it does not change the responsibility that results for those nations - many of them in the process of development that are particularly well placed for contributing to relieve any commodity shortage that may occur.

In particular, we are aware of the rôle that can be played by those countries where, as in Uruguay, nature responds generously to human effort and agricultural output can be increased rapidly in significant quantities.

Moreover, we do not disregard the possibility that in the coming negotiations consideration may have to be given to the availability of commodities and possibly to supply commitments.

Barely two weeks ago, the countries of my continent met within the framework of the Special Committee for Latin American Co-ordination (CECLA) and unanimously approved a declaration concerning the GATT negotiations; the text has been distributed to delegations here present, and it includes nine points that should be considered in the coming negotiations. These are:

- (1) A new and more equitable international division of labour.
- (2) Larger relative participation of developing countries in world trade.
- (3) The application of reciprocity in relation with the situation of each of our countries.
- (4) The adoption of differentiated measures in favour of developing countries.
- (5) The incorporation of new rules in favour of developing countries in any reform of the provisions of the General Agreement.
- (6) The preservation, enlargement and consolidation of the Generalized System of Preferences.
- (7) The granting of additional special benefits to the less-developed and land-locked countries.
- (8) The establishment of a link between the new international monetary system and world trade, taking into account the interests of the developing countries.
- (9) The attainment of complementary economic objectives in favour of the developing countries.

We would have preferred to incorporate in the Declaration that is to be approved here amendments reflecting the principles that I have just enumerated, because we are not satisfied with the text presented by the Preparatory Committee; but we also know that the Trade Negotiations Committee to be established under paragraph 10 of the Declaration will have to carry out very complex tasks that will no doubt include the elaboration, interpretation and eventual application of the basic rules established by the Declaration.

In these circumstances, and because it is our understanding that the nine points that I have enumerated are not inconsistent with the general intentions to be finalized at this meeting, we consider that our countries will still have the possibility of presenting these considerations in the Trade Negotiations Committee and of winning full approval for them there so as thus to clear the way with a view to our effective participation in the negotiations.

I should like furthermore to mention some matters in regard to which Uruguay has views which, in a certain way, complement the criteria adopted by the Latin American area as a whole and which I have just mentioned. These are:

- (1) Temperate-zone agricultural products should receive treatment consonant with the needs of the few countries that depend essentially on exports thereof, leading to a significant liberalization of the conditions applicable to their trade.
- (2) The special negotiations that are planned in respect of textiles must open possibilities for exports by our country, and in no case curtail those exports.
- (3) The Generalized System of Preferences must acquire permanency and lose its characteristics of being a precarious and unilateral arrangement that in no way contribute to the orderly expansion of industry in the developing countries; moreover, this system must be applied by all the industrialized countries. We urge more particularly those nations that should already be making a major contribution to the satisfactory operation of these preferences to delay no longer joining those who have already taken action in this sense. In that way countries like Uruguay expect encouragement for their exports of textiles, leather and other processed products.
- (4) We are striving for simultaneous and parallel progress in all areas of the coming negotiations, so that matters of special interest for the developing countries will at no time be left behind.
- (5) We agree that the Trade Negotiations Committee should make periodic evaluations so as to ascertain in general and comparable terms the progress being made. This means applying to all the participants as a whole the arrangements that Latin America has already decided to follow where it is concerned, as approved at the recent CECLA meeting.
- (6) It is our belief that the formal decision to enter into negotiations should be subject to the condition that reasonable account be taken of the interests of all groups of participating countries, whether industrialized or in the process of development. That is the implicit meaning of paragraph 8 of the Declaration and will shield us from such negative episodes as the closing phase of the Kennedy Round, when the developing countries found that in practice they were prevented from enjoying most of the results achieved.

We have listened with special pleasure to the statements by many earlier speakers representing industrialized nations, to the effect that they firmly intend that in the coming negotiations adequate account should be taken of the situation of the developing countries. We are glad that this is so, for truly we

could not conceive of any other approach at a time when the interdependence of the peoples is becoming increasingly apparent as trade links become more numerous and more interconnected, underlining the fact that the world is a whole.

In Tokyo, a pronouncement will be made in favour of the opening of the multilateral trade negotiations.

We wish at this juncture to affirm our political will to encourage world trade, as a vital element for raising standards of living, the ultimate objective of all our efforts, and we confirm our intention that in the coming months those points should be clarified which, in our opinion, should be settled if the negotiations are really to be of benefit to all participating countries - thus establishing a positive contrast with past experiences when the final results yielded only few advantages for the developing countries.

We much appreciate the cordial hospitality extended to us by the people and Government of Japan, in accordance with their long standing traditions; it is our hope that this Tokyo Declaration may be looked upon in future decades as a milestone on the path of progress, a path that each one of our peoples is taking in a spirit of generous solidarity and awareness of the common destiny inspired by the principles of sovereignty and self-determination that constitute the indisputable basis for co-existence.

R.F.M. LUBBERS, THE NETHERLANDS,
MINISTER OF ECONOMIC AFFAIRS

Taking the floor in the series of general declarations I first of all wish to assure you, Mr. Chairman, that I have no intention to repeat what has already been said. In the case of my country, a member of the European Communities, the position of the Government of the Netherlands has influenced the substance and the wording of the declarations you have heard from Mr. Norgaard and Sir Christopher Soames. It would be a loss of our precious time, if I either repeated what they have said or tried to indicate where the Dutch point of view was originally different from that of the majority of the Community. Negotiations are by definition searches for compromises. For members of the European Communities the stage at which compromises start is much earlier than for others: it is one big compromise from beginning to end.

I am well aware of the difficulties which have to be overcome if we want to bring the multilateral negotiations, we are now launching, to a satisfactory conclusion.

It can only be done by the firm political will to compromise. Given human nature, everyone has a tendency to delay the moment of making the first compromise. We seem to consider the first compromise as a lack of firmness, a sign of weakness. Whereas it is of course, in most cases, a sign of wisdom and maturity. In trade negotiations compromises are the stones with which the road to progress is paved.

Progress in trade is what we aim at, but it is only progress if it contributes to the well-being of people, to greater human happiness.

International trade must be an instrument of peace. Let all - who will be engaged in the compromise oriented negotiations - bear this in mind, so that international trade may get rid of the warlike terminology that still exists. Expressions like "conquest of a market", "defence of supply lines", "export offensive", "sales strategy", all of them revealing an aggressive undercurrent, will then disappear from the practical trade vocabulary, and be replaced by the many good words we find in the preambles of so many of GATT's "Basic Instruments and Selected Documents".

My appeal today for a deliberate and firm willingness to compromise is for a considerable part inspired by my Government's sympathy for and understanding of the difficulties facing the developing countries, especially of the least developed among them.

Given the inequality in possibilities, the Netherlands sincerely wish to give concrete substance to the principle of non-reciprocity in the forthcoming negotiations, and hopefully expect that the developing countries may obtain the additional benefits as meant in the summing-up of the Chairman at the twenty-eighth session of the CONTRACTING PARTIES.

To substantiate this with a few examples: I wonder whether developing countries should not be exempted from any trade measures taken for balance-of-payments reasons. And, Mr. Chairman, in cases of market disruptions in developed countries by developing countries, instead of applying only safeguard clauses should we not give greater weight to the necessity of adjusting the patterns of production of the developed countries?

Mr. Chairman, I feel very happy that this meeting takes place in Tokyo. It may be regarded as a symbolic acknowledgement of the economic importance of Japan, a country with which we are proud to have had relations for more than three centuries, and we sincerely welcome a new renaissance in those relations. I gladly join the speakers who already have expressed their sincere gratitude to our hosts.

JORGE DE CARVALHO E SILVA, BRAZIL,
SECRETARY GENERAL OF FOREIGN AFFAIRS, MINISTER OF STATE

Mr. Chairman, may I thank you, on behalf of the Brazilian Government, for the courteous invitation to hold this important meeting in Japan. The impressive example which Japan has set for the post-war world in economic growth makes Tokyo a most appropriate site for the Ministerial Meeting of GATT; and the hospitality of the Japanese people, which we all know so well and admire, will no doubt contribute to the success of our conference.

All of us present here are fully aware of the significance of this Meeting. We are not about to pronounce ourselves on a routine round of trade negotiations, neither are we merely about to draft a declaration of good intentions to solve existing trade problems. Our task must be measured by a larger yardstick; the course of economic and trade relations since the Bretton Woods and Havana Conferences, and the historical trends of these relations as projected towards the future. We are about to declare the opening of negotiations which, if successful, might give a new dimension to the rôle of international trade in world economic development and social well-being.

The world economic order that emerged from Bretton Woods and Havana opened the door to the path of greater world prosperity and peace, but not widely enough. Some nations were able to start along this path, but others were and are still unable to do so. We now stand before the historic opportunity to correct the distortions of that economic order, and to ensure that all nations embark upon this path to prosperity and peace. In order to do so, our work must be imbued with the necessary sense of courage and determination.

In the trade field, we have some fundamental elements to build upon. The establishment of GATT revealed the desire of member countries to seek a common basis for their trade policy. It was recognized that the multilateralization of the decision-making process made it easier to avoid petty national rivalries and the pitfalls of bilateral horse-trading. Although substantial differences, weighed by the over-riding national interests of each nation, persevered, it was possible to work in greater harmony, and to create a more effective framework for the expansion of trade. This in itself was undoubtedly a positive step forward. Our efforts should now be directed towards improving this multilateral process of determining trade policy, and reforming the present framework in order to lend it greater dynamism.

The reform of the existing framework of world trade must start by correcting one basic fallacy: the fallacy that, in trade, all partners should be considered as equal. Trade is not a card game, in which the relative strength of each player depends on cleverness and fortune; it is the interplay of economic power, through the exchange of goods. Thus, the rights and obligations of each country must be measured against its relative strength, and consequently its capacity of sharing power. And the ultimate objective must be to share equitably the sum-total of this power, which can best be achieved by increasing the relative power of the weaker partners. In this sense, the traditional most-favoured-nation clause, which has been the corner-stone for the framework of international trade, must be duly qualified. Equal treatment must be dispensed to trading partners of equal strength, and different treatment to those of unequal strength. This is the philosophy behind the claim of developing countries for differentiated or preferential treatment in trade, and it is our firm view that a new and dynamic framework for world trade must incorporate this principle, and work from it in revising bolder means to expand trade and improve the balance in trading relations.

The acceptance of this principle, and its transformation into concrete measures, will enable developing countries to participate effectively and fully in the common effort to bring about greater prosperity through the expansion of trade. The greater participation of developing countries in world trade will not only accelerate their own economic development, it will be a fundamental contribution towards the well-being of the entire world community. The growing interdependence of nations in this latter half of the twentieth century can no longer tolerate the existing imbalance between the relative economic strength of each nation, and a better balance cannot be achieved without a more equitable share in the benefits of trade.

The presence of government representatives from developing countries at this ministerial meeting implies, to our mind, two important considerations. First, the recognition of the historical opportunity, which this meeting represents, to undertake a far-reaching reform of existing trade structures, in order to adapt them to present day requirements, and to unhinge trade flows from unnecessary restrictions and constraints. Second, the determination to participate actively in this exercise, which is in the common interest of all. It seems important therefore to bear in mind the fact that this should be a common exercise, and that the benefits resulting therefrom must accrue to all, and not only to a few.

If we are able to grasp the significance of this, we shall have started in the right direction.

The Brazilian Government is fully aware of the difficulties that we face in this effort. The road that lies ahead of us is particularly sinuous, and has frustrated many travellers in the past. But this only persuades us that we must not fail this time.

The present meeting, in our view, is a starting point, and its results must therefore be judged with foresight, not hindsight. It is in such a spirit that we have examined the draft declaration which we have before us. Two important issues remain to be settled in this draft, and we look forward to the possibility of this being done without greater difficulty.

In relation to the paragraph on the special needs of the least developed among the developing countries, it is our understanding, and, we presume, of this Assembly that the special treatment which should be dispensed to these countries will be additional in character and will not prejudice the trade interests of other developing countries, in accordance with the principles unanimously agreed in UNCTAD.

The remaining points as they appear in this draft do not fully meet our basic aspirations, but they do indicate a progress which, we hope, can be made more meaningful in the work which will be carried out in the months to follow. The trade negotiations committee which we are expected to establish will have, as its first duty, the responsibility to develop the thoughts and intentions expressed in this declaration, and to translate them into more specific rules and procedures for the negotiation. If this duty can be carried out in the same spirit that inspired this draft Declaration, we entertain the hope that it will be possible to reach an agreement on the essential terms for truly multilateral trade negotiations, capable of generating a more equitable world economic order, beneficial to developed and developing countries alike. Indeed, much will depend on the ground-work to be carried out in the following months.

A final word, on the position of Brazil in relation to the negotiations which we are about to launch. In the light of the general concepts which I have stated previously, the Brazilian Government believes that the forthcoming negotiations cannot limit themselves to solving the existing trade problems of major developed countries and leave the problems of developing countries by the wayside. A major, joint effort must be made to find solutions for the growing difficulties which developing nations face in trying to expand their trade and conquer new markets. Should the negotiations fail in this respect, our endeavours to achieve greater world prosperity and well-being will also have failed. In order to succeed, we shall have to take bold steps. Leaving behind all the inhibitions of narrow-minded and short-sighted trading policies which have characterized the past.

The measure of our success will be the net additional benefits which will accrue to developing countries, individually and collectively, at the end of this process. Such benefits, if they are to be truly "additional", must be based on the principle of differentiated or preferential treatment for developing countries in trade. This calls for preferential concessions to developing countries in the tariff and non-tariff areas of the negotiations; furthermore, it means that developing countries should be granted special treatment in relation to new trade rules. Special clauses for developing countries will have to be introduced into any new multilateral safeguard system; special criteria should also be devised for the application of anti-dumping or countervailing duties against imports from developing countries; the right of developing countries to apply export incentives in order to foster the growth of their trade must be explicitly recognized. And finally, the General Agreement on Tariffs and Trade should be carefully revised in order to adequately reflect the special needs of developing countries.

The Brazilian delegation is circulating a document for this Conference explaining in greater detail the proposals just mentioned above.

I wish to reiterate our confidence in the success of our meeting. May it truly represent a new starting point for modern world economic history, casting a proper light on the grave problems and issues which we are called upon to solve in the months to come.

CARLOS ALZAMORA, PERU, AMBASSADOR,
PERMANENT REPRESENTATIVE AT THE OFFICE OF THE UNITED NATIONS AT GENEVA
STATEMENT ON BEHALF OF THE MEMBER COUNTRIES OF THE ANDEAN GROUP

I have the honour to begin this statement on behalf of the delegations of the countries members of the Andean Group, Bolivia, Chile, Colombia, Ecuador, Venezuela and Peru, by extending our most cordial greetings to Japan, one of our most important and active trade partners, with which the Andean countries maintain special and close relations of friendship and co-operation.

The negotiations which are about to begin cannot be considered separately from those which the industrialized countries carry out in other world spheres and fora, in order to consolidate and perfect the process of co-operation and understanding which should ensure for them the common benefit of an unprecedented wealth and well-being which characterizes the present economic juncture of the developed countries of both political tendencies.

In these fora there are today attempts to invalidate the thesis that this process of understanding -- from which the developing world is still excluded -- is leading inexorably towards a division of the world into rich and poor countries and that such a dangerous division entails the seed of inevitable confrontation.

But what is the real situation? The reality is that each day the gap which separates us, widens, because while the share of the developing countries in world trade diminishes dramatically and the rate of growth of the gross national product and of its exports also diminishes, as the process of external indebtedness, unemployment and poverty of their peoples deepens, the developed countries incessantly multiply their trade, their standards of living rise to unimagined heights, and they live preoccupied by the problems of abundance, whereas 1,600 million human beings live anguished by the problems of scarcity.

There is no doubt that such prosperity is to a great extent the result of the dynamic expansion of foreign trade. It is for this reason that we, the Andean countries, affirmed from the beginning of the process that these negotiations could not be limited to the search of a compatible convergence of the interests of its major protagonists but that, with a certain vision and historical sense, they should seek to incorporate the Third World into this system of shared prosperity, not as a mere or eventual beneficiary of marginal and residual advantages which the negotiations might provide, but rather as an active and direct partner of the international economic structure which shall ensure the development and welfare of all.

That philosophy and that compromise are still absent, in the fullness which we aspire, from the draft Ministerial Declaration which does not as yet provide for our countries a full guarantee of an effective and fruitful participation in the benefits resulting from the negotiations nor does it assure conditions which will allow the reversal of the serious declining trend which our foreign trade has registered in the last two decades.

The document does not express adequately the basic positions stated by the Andean countries in regard to net additional benefits, the principle of non-reciprocity and non-discrimination, preferential treatment and its formalization within the framework of the General Agreement, complementary economic objectives, a just international division of labour and the adequate treatment of the least developed and land-locked countries.

Despite these circumstances, we maintain our faith in that the development of the negotiations will allow better conditions for the participation of our countries, and we are prepared to recognize and act in accordance with the progress which may be reached towards this end. The statements of the representatives of the Community and in particular that of the Finance Minister of France appear to illuminate perhaps the until now rather sombre perspectives of the negotiations by introducing criteria of justice and responsibility that could reveal a new spirit, and by considering the negotiations appropriately as a transference of substantial resources for our development through trade concessions.

In this cycle of unlimited wealth, the maintenance of restrictions to the trade of poor countries should be a tragic historical error. In a world increasingly more interdependent it would be absurd to provoke confrontation by precluding co-operation and justice.

The division between rich countries and poor, which deepens day to day, is an undeniable reality and the dangers of confrontations which it entails are already becoming perceptible in fields of strategic and vital interests for the economies of all nations.

We must keep in mind that this is perhaps the last opportunity which we have to inspire within the GATT the conscience of development in the light of the commitments undertaken by the major protagonists of this negotiation in the principal international fora. In the same manner that this is a single and common struggle against under-development, it is also a single commitment of the developed countries. Such a commitment cannot prevail for one forum and not for another. And GATT cannot be an island of selfishness or indifference vis-à-vis the great historical cause of development.

We are on the verge of an opportunity for initiating an era in international economic relations which could open wide for all peoples the possibilities of welfare and progress or which, on the other hand, could limit these to a privileged group of countries. History can hardly justify those who, in an era of unequalled prosperity, would chose to exclude two thirds of humanity from the benefits of trade expansion.

It is in this conviction that the Andean countries reiterate their firm decision to pursue the struggle which they have undertaken to incorporate into the spirit and mechanisms of the process, the objectives, principles and modalities which will assure its peoples an effective and just participation in the benefits of the negotiation and a place in the new trade order which is called upon to establish.

STATEMENT BY THE COLOMBIAN DELEGATION ON THE OCCASION OF
APPROVAL OF THE MINISTERIAL DECLARATION OF TOKYO

(Statement submitted for the record)

Colombia has always supported, in both regional and international fora, the principle that the least developed among the developing countries should obtain advantages additional to those granted to other developing countries, so that they may more rapidly bridge the gap that separates them from the others. That is why during the Third United Nations Conference on Trade and Development, Colombia participated actively in the drafting of Resolution 62(III) which recognizes that such additional advantages should not adversely affect in any way the economies of the developing countries. In this connexion, it is the understanding of the Colombian delegation that the provisions of paragraph 6 of the Ministerial Declaration of Tokyo, concerning special treatment to be received by the least developed countries in the context of any general or specific measures taken in favour of the developing countries during the negotiations, should be interpreted consistently with the aforementioned Resolution 62(III) of UNCTAD in the sense that they would not adversely affect the interests of the other developing countries. It is subject to this understanding that the Colombian delegation approves paragraph 6 of the Ministerial Declaration of Tokyo.

ANTON VRATUSA, YUGOSLAVIA,
VICE PRESIDENT OF THE FEDERAL EXECUTIVE COUNCIL

I would like, on behalf of the Yugoslav delegation, to present the views and considerations in respect of the exceptionally significant issues contained in the draft Declaration. We are convinced that the decisions to be adopted at this Conference are of particular importance for the development and strengthening of international economic co-operation and for the establishment of equitable relations among nations. The necessity for substantial changes in international trade and monetary system far exceeds the objectives of the liberalization of the international trade, as we are faced not only with crisis of the world monetary system and an accentuated asymmetry between the national policies of adaptation to the existing circumstances and internationally adopted "rules of conduct", but also with the widening gap between developed and developing countries.

The Yugoslav delegation has been listening with great attention to the speakers referring to very complex problems the world community as a whole has been faced with, especially in the field of economic development and economic relations. We share their concern. We also noticed that, within this framework, specific problems of developing countries have been given considerable importance. However, what we need is to ensure that this aspect of the world trade and development problem be treated equally also during the forthcoming negotiations. It is evident that the mentioned problems cannot be satisfactorily resolved merely in terms of exceptions, in the world economic system, but only as an integral part of the system itself. Therefore, the Yugoslav delegation will try in this short intervention to deal relatively more in detail above all with specific needs of developing countries.

An ever more expressed interdependence of world economic flows in which countries on different levels of economic development participate, reveals the actual gravity of the drama of economic underdevelopment in which a predominant number of nations of the world find themselves. Among the different factors of structural inequality characterizing the current economic developments, the phenomenon of unequal conditions of development imposing the limits to the evolution of the developed and developing countries, is the most striking feature of our epoch.

The seriousness and complexity of the difficulties with which the developing countries are constantly faced in their endeavour to integrate themselves in world economic relations call for substantial changes in the concept and machinery of trade and monetary system. Mutual correlative dependence of the appropriate changes in the monetary and trade system with a view to eliminating the existing factors of instability is accentuated, in particular, in the political appraisals on the opening up of new prospects of economic development.

The reform of the trade system places in the forefront the need of creating conditions for an effective equality of the developed and developing countries. Actually, the formal equality of all the countries participating in international trade, embodied in the basic postulate of the GATT on the most-favoured-nation treatment and non-discrimination of countries, could not constitute any more the only acceptable alternative.

If all the countries participants in the international trade exchange would be approximately on the same level of economic development, the differences which in practice mark their integration into the international division of labour would not reach the level of substantial discrimination and inequality. There cannot be, however, any dilemma to the effect that this is not the case. There is no equality between the unequal partners. In the conditions of formal equality, the developing countries are forced to lose their positions and to remain lastingly on the periphery of the world progress. In that respect the demand of the developing countries to integrate the principles of preferential treatment, non-reciprocity of concessions and non-discrimination in the new system of trade, are consistent with the concept of ensuring a genuine equality of their participation in the forthcoming negotiations. Transformed in concrete solutions, this concept of the developing countries constitutes actually an active approach to the solving of problems of economic under-development. We feel this is the way to establish the frameworks for the expansion of their production and export capacities as the key factors of their economic and social development and the source of a dynamic trend of expansion in the international commodity exchange within the broadest scope. A more realistic insight into the prospects of the promotion of mutual economic co-operation among the developing countries themselves, as a significant complementary domain of their general evolution, will depend on the generally adopted principle according to which their mutual tariff and non-tariff preferentials should not be considered as a discrimination of the developed countries.

In these considerations in principle of the substantial changes in the existing trade system, in the interest of the general progress and a genuine equality of nations, we do not neglect the fact that the world of the developing countries is differentiated with respect to the achieved level of development. In our view, therefore, the principle of non-discrimination of the developing countries should open new rooms for the general preferential treatment of all developing countries in all fields of economic and monetary international co-operation. These are the bases on which it is possible to achieve the complementarity of efforts for the promotion of vertical co-operation of the developed and developing countries with the simultaneous intensification of horizontal: regional, sub-regional and interregional co-operation among the developing countries themselves, without running the risk to establish conditions of discrimination of other developing countries. The spectrum of possible positive

influences over the general expansion of the economic flows of such complementary processes of co-operation between the developed and developing countries, presupposes two essential preconditions: general preferential access of the developing countries to the markets of all developed countries and the elimination of the reciprocity in concessions of the developing countries to their developed partners.

The fact, however, that a considerable number of the least developed countries, is among the developing countries, imposes specific considerations. Consistently with the concept of unequal conditions of development, we are in favour of the views expressed in the Declaration on the necessity of special measures of support to these countries in all fields, including the trade. Special preferential treatment constitutes an indispensable act of discrimination in favour of the development of these countries. For this reason, it should not be considered as unrealistic if the principles of differential treatment of the least developed countries would be integrated into the concept of world economic development, as an essential component of the general treatment of non-discrimination of all developing countries towards the developed world.

As it has been noted in the Declaration, one or a combination of methods of customs reductions, including sector approach as a complex method of customs and non-customs liberalization, could be chosen. For the developing countries it is important that the priority and preferential adjustment of the techniques of tariff reductions are secured in respect to their specific needs. There are three significant elements of the effective contribution to the results of tariff reductions. The first one is the decision on the establishment of a direct link between the protection from erosion of the preferential margins within the framework of the Generalized Scheme of Preference (GSP) and the reduction of tariffs. The second element is the readiness to effectuate in advance in favour of the developing countries the agreed tariff reductions. The third element is the right of the developing countries to participate in the negotiations as a group in respect to the existing principle of the GATT on "main supplier". It is obvious, particularly in industrial sectors, that the principle of "main supplier" does not provide developing countries with the appropriate negotiating power and, thereby, the protection of their own interests.

The large number and variety of non-tariff barriers renders even more difficult the establishment of general and uniform rules. The insufficient transparency of certain forms of non-tariff barriers is limiting the establishment of their direct and indirect impact on the distortions or restrictions in the international trade.

In our opinion, it is possible to classify non-tariff barriers in two main categories. The first covers the elimination of quantitative restrictions, including the self-restraint of exports, which constitutes for the developing

countries one of the significant questions of the access to the markets. The second category covers the barriers whose primary aim is not of a trade-restricting nature. In our view it could be expected that it should be possible to achieve agreement in this field with regard to general methods or rules of conduct, with the aim to avoid their possible restricting effects on the international trade. However, in order to ensure for the large circle of the developing countries to participate, on an equal footing, in the formulation of "codes" or "rules of conduct" through negotiations, it is ever more indispensable to provide them with the appropriate technical assistance. In this manner, it could be only expected for the large number of the developing countries to reach the phase in which the adoption of such international codes could constitute a real contribution to the promotion and diversification of their exports.

The unilaterality in the selection of criteria for the implementation of the safeguard clauses and the arbitrariness in their implementation, particularly when new, industrial products of developing countries are involved, there are two substantially most important components of the critical approach of the developing countries to the international practices in the field of market disruptions. The establishment of consistent criteria for the implementation of this sort of measures, the observance of the period of their duration and of their degressiveness, the strict observance of the obligation of keeping unreduced volume of the achieved commodity flows are, in our opinion, the elements of a broader co-operation in this significant field of international co-operation.

The liberalization of the access to the import markets for tropical products constitutes an indispensable way for the stabilization of exports of the large number of developing countries. In the field of the temperate zone products, the complexity of the problems renders even more difficult the finding of the general methods for the stabilization of prices, the regularity of supply and the removing of autarchic protection tendencies and their limiting effects over the choice of the most favourable sources of supply. The lasting access to the markets of the developed countries, the removing of import barriers and a more stable price relations, constitute, in our opinion, the way towards the finding of appropriate solutions in the interest of the promotion of exports of the developing countries.

Concluding the presentation of the views and considerations of my Government on the issues of interest for the economic development and expansion of international trade, I should like to express the readiness of my country to contribute to the strengthening of international multilateral economic co-operation.

In such a context I would like to emphasize our appreciation for the contribution of the GATT to the promotion and expansion of the international trade in the past. The institutional changes we are seeking for within the

framework of the GATT should contribute also to its adaptation to new and changing international relations. Basically we consider that fundamental changes should be the active approach to the problems of the economic development. Waivers as derogation of the most-favoured-nation reflects among others a rather passive and limited in time approach.

Necessity for new norms and rules of conduct in many fields of international trade like NTB (non-tariff), safeguard clause, adjustment measures, are in substance no more contested.

According to our opinion, the strengthening of UN and their institutions and organizations and the co-operation and co-ordination among themselves is the way for seeking appropriate solution in all fields of multilateral international co-operation. No doubt that GATT has an important part in this activity.

In the hope that during the negotiations the implementation of the objectives and principles will be fully respected in the interest of the economic development of developing countries and their active and equal participation in those negotiations and urging dynamic and creative initiatives the Yugoslav delegation endorses the proposed Declaration of Tokyo.

VICENTE T. PATERNO, PHILIPPINES,
CHAIRMAN, BOARD OF INVESTMENTS

On behalf of my delegation may I express our appreciation to the Government of Japan for hosting this historic assembly. We congratulate you Mr. Chairman on your election. We are confident that under your leadership this meeting will achieve its desired purpose. I also wish to make known our appreciation to Director-General Long and his secretariat for the technical preparations for this Meeting. The Philippines became a provisional Member of GATT in August this year. Thus, it is our first time to take part in the deliberations of the CONTRACTING PARTIES.

It is auspicious that the formal launching of a new round of trade negotiations takes place in this great Asian city of Tokyo. Japan is the leading industrial nation in Asia, and it will be in populous Asia, where the effects of this global undertaking will be most felt especially in the light of emerging détente in this part of the world.

The Philippines experiences significant recurring trade deficits with all its trading partners, save three. We sought accession to the GATT anticipating that the forthcoming round of negotiations will result in major reduction or elimination of international trade restrictions.

We share the expectations of the other developing countries that substantial improvement will be derived from the negotiations in the conditions of access for industrial as well as agricultural products, which will enable increases in foreign exchange earnings and greater diversification of our trade. While taking note of the difficulties of the developed countries in accepting international division of labour as a principle for the multilateral trade negotiations, we hope that they will take early and comprehensive measures necessary for internal adjustments of their industrial structure in this respect, believing that it is to their long-term interest, social as well as economic, that such adjustments take place at an early time.

At the negotiations, we will not seek more than what is just and equitable, on the other hand we cannot concede what is inconsistent with our particular development, financial and trade needs. We trust the developed countries will not insist on reciprocity in reducing or removing tariff and other barriers to exports of developing countries.

We express appreciation for the implementation by some developed countries of their preferential schemes. We look forward together with the other developing countries to improvement and adoption by all industrial nations of

generalized systems of preferences. Regarding those developed countries which have not yet adopted or implemented Generalized System of Preferences, we share the anxiety of other developing countries that they commence implementation very soon.

Our delegation finds the draft declaration and its provisions on the objectives, substance and procedures of the negotiations to be generally acceptable. We associate ourselves with the statements of the delegations of Indonesia, Malaysia, Singapore and Thailand the partner Governments of the Philippines in ASEAN, the Association of Southeast Asian Nations.

We believe that the particular situation and problems of the least developed among the developing countries should be given special attention; that general or specific measures should be adopted to give them special benefits, in a manner which would least adversely affect the interests of the other developing countries.

We urge that in resolving the monetary situation, particular account will be taken of the special characteristics of the economies of developing countries and of their problems in the fields of trade and development financing.

The Trade Negotiations Committee needs to be vested with authority to develop the trade negotiating plans and to supervise the progress of the negotiations. The Committee should consider the formulation of special procedures for the negotiations between the developed and developing countries as a priority task. In order to ensure the full, effective and continuous participation of the participating countries, the GATT Director-General and the UNCTAD Secretary-General are requested to co-ordinate their activities in assisting the developing countries to prepare for, and to participate in, the various stages of these negotiations. This may require UNCTAD access to the Trade Negotiations Committee meetings.

We are encouraged, Mr. Chairman, by the chord of harmony struck by the informal agreements reported to have been reached yesterday. We hope that it is but the first chord of a theme of co-operation and mutual accommodation at the forthcoming round of negotiations.

With respect to my Government's participation in multilateral trade negotiations, we are entering into consultations with our partners in ASEAN, the Association of Southeast Asian Nations, before arriving at that decision.