

# GENERAL AGREEMENT ON TARIFFS AND TRADE

COM.TD/W/48  
16 January 1967  
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Committee on Trade and Development  
Eighth Session  
Punta del Este, Uruguay  
16-20 January 1967

Original: Spanish

STATEMENT BY H.E. MR. LUIS VIDAL ZAGLIO,  
MINISTER OF FOREIGN AFFAIRS OF URUGUAY,  
AT THE OPENING MEETING ON 16 JANUARY 1967

I have great pleasure in extending a cordial welcome, in my own name and on behalf of the Uruguayan Government, to all those who have come to Uruguay to participate in the discussions of the Committee on Trade and Development, which is meeting in South America for the first time.

We consider this most gratifying inasmuch as we pride ourselves on being a nation which, by keeping our spirit and our doors wide open, maintains cordial and close relations with all the peoples of the world.

This session of the GATT Committee on Trade and Development is taking place at an interesting juncture not only because the Trade Negotiations Conference (Kennedy Round) will come to an end in a few months' time, but also in view of the forthcoming second session of the United Nations Conference on Trade and Development. We are, therefore, rapidly nearing the stage of decisions that will influence foreign trade policies in the coming years.

In May 1964, in compliance with the decisions taken at the Ministerial Meeting held before that date, the GATT opened the Kennedy Round with the two-fold purpose of reducing by 50 per cent the customs duties applicable to industrial goods and of creating acceptable conditions of access to world markets for agricultural products.

The new Part IV of the GATT is of direct significance for the developing countries in the Kennedy Round in that it exempts them from full reciprocity in connexion with the exchange of concessions as well as the so-called residual restrictions. These are, in fact, import barriers which, notwithstanding the insistent appeals made by the contracting parties in general, are still being applied in certain countries in overt violation of the provisions of the General Agreement.

The lofty objectives set for the Kennedy Round have at all times been a powerful incentive for the participating countries; but they carry any equally heavy responsibility for the GATT: just as success would yield many and gratifying results, so failure would be followed by a sense of frustration which would probably have adverse effects on world trade.

Bearing this in mind, we believe that this session of the Committee on Trade and Development, which will review the state of progress of the Kennedy Round, is of special significance in regard to forming a clear idea as to the possible outcome of the trade negotiations.

After two and a half years of work and with only a few short months left before the end of the Kennedy Round, we are all well aware of the position as regards the requests made to us and what we wish to receive in return for the concessions that we grant.

In this regard, notwithstanding the work already done, the prospects of many less-developed countries are not very clear. We must nevertheless all agree that GATT cannot permit even the possibility of any recurrence of what happened in the 1960/61 tariff negotiations where, as the negotiations advance, the less-developed countries found themselves gradually excluded so that in the end almost all of them had to withdraw from the negotiations as they found that the scant benefits offered to them did not justify their participation in the closing stages.

When considering the first item on the provisional agenda, each delegation here present, will of course make whatever comments it considers opportune having regard to the situation of its own country; but I believe I should state now that since GATT is committed to using the Kennedy Round as an instrument to promote the trade of all its member countries, it is inconceivable that the needs of only some countries could be met and not those of others.

The objective is lofty, the course difficult and fraught with danger; it would be easier to adopt solutions that are convenient because they are partial and unsatisfactory; but the world social and economic situation demands efforts and sacrifices in keeping with the times in which we live. We should not forget that the benefits to be derived by all countries participating in the Trade Negotiations Conference will be in proportion to their contribution to it.

Nor must we lose sight of the political implications of the Kennedy Round. Its success will mean a general coming-together of all peoples through the lowering and elimination of trade barriers and the consequent strengthening of economic ties in general. Any other alternative might mean the revival or strengthening of the protectionist influences whose detrimental effects are recent enough for all participants here to remember clearly.

Latin America is a continent of developing countries. The Committee is holding its session here and it is, therefore, particularly relevant that the problems of all countries which are in the process of development should be emphasized.

Our provisional agenda includes an item relating to the expansion of trade among developing countries. This question is important and deserves our full attention and support; but we must not lose sight of the fact that in general the greater, immediate advantages that may be gained by these nations will derive from the concessions granted to them by the industrialized countries.

We will also deal with preferences, a matter that has been the subject of close study, both in GATT and in other international forums, for example UNCTAD.

The relative disadvantages that industry has to contend with in the less-developed countries call for and justify preferential treatment from the industrialized world; they also call for an early exchange of preferences among these developing nations.

The CONTRACTING PARTIES have already authorized Australia to give preferential treatment to developing countries and this means that the way has already been paved from the procedural point of view.

The forthcoming closing stages of the Kennedy Round should do away with a temporary barrier that may have been delaying a solution to the problem. As soon as the protocols are signed incorporating the results of the negotiations, the road will be clear for all the recent declarations of intention to become realities conducive to the increase of exports from less-developed countries.

I should like to praise the efficient work that is being done by the GATT International Trade Centre. Within a short time, thanks to the activity and ability of its staff, this body has shown itself to be an efficient instrument for international trade expansion.

For the week of meetings that is commencing today, GATT has moved its centre of activities to our country. We are indeed happy that this should be so.

It is our hope that this session will be a success and that it will attain the objectives for which it was convened.

I welcome all of you here, on behalf of my Government, and I have the honour to declare open this session of the GATT Committee on Trade and Development.