I think that the decision of Committee III to undertake now a careful examination of its working programme is a particularly timely one. There are a number of reasons, I think, which militate in favour of a careful examination of this programme. The first and over-riding reason is that, as the months go by, those of us who are very closely engaged with trading matters are becoming increasingly aware that the future export earnings of the developing countries is one of the most challenging, critical and urgent problems which international institutions and governments have to face today. Secondly as the membership of the GATT progressively broadens the GATT will not only become even more fitted to play an important part in finding solutions to these problems but will be under even greater compulsion to do so since the broadening membership of the GATT is bringing into the organization an increasing number of developing countries.

The work of this Committee seems to me to fall into two quite distinct categories; the first is what I would call the "conventional" one which is the pressure against quantitative restrictions and tariffs which hinder the exports of developing countries. This I call "conventional" because it springs out of the very nature of the General Agreement itself. Then, there is the far more difficult terrain of the "non-conventional" aspects of the work of Committee III. Here we are dealing with the structural problem whose main elements are those indicated in the headings under which the programme of work of Committee III is to be considered. The secretariat, has in the past tentatively put forward various ideas, admittedly somewhat inchoate and inadequately framed, but all tending to bring a greater degree of system to the "non-conventional" aspects of the Committee's work. The one area where we have tried to be as systematic and as specific as possible is with respect to the link between development planning, the financing of development, and export promotion. I have long felt, even before the inception of Committee III that there was a certain lacuna in international machinery as far as the link between development financing and trading patterns and arrangements was concerned.

In order to try to overcome this gap, I have consulted with officials of the International Bank for Reconstruction and Development in the hope that we could work out a basis for a much closer collaboration between the CONTRACTING PARTIES and the Bank.
Initially it was not easy to foresee quite how these relations could most fruitfully develop. However, recent trends of the work of the CONTRACTING PARTIES, and particularly the type of exercise which we have carried out with respect to the development plans of India and Pakistan, have indicated that there is an obvious convergence between the activities of the International Bank and the CONTRACTING PARTIES. Thus on the basis of conversations which I had in Washington last autumn with senior officials of the International Bank and conversations which have taken place subsequently here in Geneva, we have arrived at an informal understanding with the International Bank which will, I think, open up an important new era of co-operation between us. The overt symbol of this new development is the presence, I think for the first time in Committee III, of a representative of the International Bank. I understand that the representative of the International Bank will be in a position to make a statement to the Committee with respect to co-operation between us.*

We would also hope to see a much closer development of our relations with the Organization for Economic Co-operation and Development in the fields of aid and trade. The Ministers of the OECD countries, at a recent meeting, passed an important resolution which is very much in parallel with the conclusions of the ministerial meeting in the GATT in 1961. The Secretary-General of the OECD has indicated to me that without in any way wishing to impinge on the field of activities of the GATT; the OECD, on the basis of its ministerial resolution, is anxious to do everything that it can in order to further the objectives of the programme that we are trying to work out through Committee III. This too, I think is a potential area of support for our activities, particularly in ensuring or securing an implementation of our objectives, which we should not lightly disregard.

However, if we are to seize the new opportunities which, I think, are opening up before us, it does mean that the work of the Committee must be highly systematic and practical. The GATT has numberless defects and no one is in a better position to appreciate them than I. The GATT, has, however, one golden virtue in that it is essentially a practical organization dealing with facts and does not dissipate its strength in theoretical debate and conjecture. It is, to my mind, if the highest importance for the programme on which this Committee is engaged, that this régime of severe practicality should continue. This, I think, is particularly true if we are, in co-operation with the International Bank and the OECD, to play an important rôle in assisting in the development of the developing countries.

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* The statement of the representative of the IBRD has been circulated as document COM.III/110.
More specifically, I think that the Committee could usefully reflect upon the experience gained in the Indian and Pakistan exercises and consider seriously whether a thorough and systematic analysis of the export potential of all the developing countries in the GATT. For this purpose I would suggest that for those countries which are within the framework of Article XVIII of the Agreement, a basic paper should be prepared for each which would contain a tentative import/export balance sheet indicating the export potential of the country and the likely demand for imports. On the basis of such a paper it should be possible to identify the areas in which export potential could most usefully be developed. Such information, would, I think, be valuable to the lending agencies.

After the completion of such an exercise it would be the rôle of GATT to use its authority to ensure conditions in the world market which would enable such export potential when it is developed to express itself in terms of exports and not to be frustrated by import restrictions, high tariffs or other protective devices. This would be the peculiar contribution which the GATT could make to solving the totality of this problem.

It may be argued that this is a very ambitious and impracticable objective but I have been very much struck myself by the success with which the secretariat has been able to cope with the problem of tropical products in preparing for the work of the Sub-Group which has just been completed. I must confess that I was somewhat appalled by the dimensions of the problems which we were asked to study in preparation for the Sub-Group and very much surprised and gratified by the quality of the documentation which was compiled in a very short period of time. Amongst those papers, the ones which interested me most, in the context of Committee III, were the country papers which contained not a very profound but a useful working analysis of the economic structure of some of the countries interested in trade in tropical products with some projections about their future import problems and analyses of the effects of movements in the trade of their principal export products on their future development prospects. This, it seemed to me, was the sort of documentation which Committee III should have available for all the countries under Article XVIII.
In undertaking such an exercise I would suggest that the best technique to adopt would be for the secretariat to prepare, for each country, a basic document, based upon the information which is generally available, and that this basic document should then be submitted to the country concerned for correction and supplementation in the light of the special knowledge which each country has of its own problems. This is a device which we adopted with success in the review of import restrictions under Article XII some years ago and it did overcome the very real difficulty which the developing countries have in providing an extensive documentation on their own initiative. I would hope that, if this procedure were adopted, it would be possible after a basic document has been submitted to each country, for a small secretariat mission to visit the country in order to complete the document. Such mission would take account of the various amendments and additions suggested by governments and discuss the paper itself with the authorities so that on completion of the exercise, we would have a document which represented a joint effort of the country concerned and the secretariat.

This seems to me to be a practical programme and I think it is a practical way of going about the problem. As far as the secretariat is concerned, I am already, even in advance of the decisions which the Committee will reach at this meeting, making arrangements for a certain reorganization of the secretariat in order to be able to really attack this problem with the vigour which it requires. I am proposing, therefore, in this re-grouping to set up a special service to concern itself with problems of development. This would not be special service in isolation from the rest of the work, because this is a problem which is within the general framework of international trade, but a service able to concentrate on this particular branch of our work. It would also be my hope, at a fairly early date, to designate a high level special advisor on these problems who would again not have any other functions in the secretariat except to offer advice to me on the whole range of these problems and in particular to be available to delegations for consultation.

Now, I have made my plea for a systematization of the future programme of the Committee solely in terms of the work itself. There is, however, another aspect of this problem which I think is hardly less important. As members of the Committee are, undoubtedly fully aware, preparations are actively going forward for a conference on trade and development in the United Nations in 1964 and the United Nations will be focusing the whole of its attention and authority on this problem. That this is so is, I think, very advantageous and fully consistent with the line which we have taken in the GATT in trying to bring this problem into as sharp a focus as possible.
However, in the course of the United Nations conference, there will be important discussions on institutional matters and an examination of what the various existing organizations are doing on this particular problem and no doubt the governments represented in the United Nations will be making decisions and recommendations on institutional matters as part of the results of that conference. For this reason it seems to me that the contracting parties and, on their behalf, Committee III have a very great responsibility to indicate candidly, honestly and clearly what it is that can be expected to be done effectively within the GATT in this field. There are obviously limitations as to what can be done but equally, it seems to me, that there are directions in which the GATT, because of its practical experience in international trade, can and should make a very significant contribution. But I think it is up to the governments represented in the GATT to indicate what they consider this organization could and should do and equally of course, what it could not and should not do. I feel sure that a precise and specific definition of our future programme of work will be most relevant to the United Nations conference on trade and development.

These are the principal considerations which I wish to place before the Committee at this time. The whole programme of Committee III is one which has a very high priority in the planning of the work of the secretariat and we are determined to bring to bear upon this problem the maximum of effort. It will be the more effective, however, if the governments represented on Committee III, can settle upon a programme which will enable us also to systematize and concentrate the work of the secretariat as effectively as possible.