EXAMINATION OF THE TRADE AND PAYMENTS ASPECTS OF DEVELOPMENT PLANS

Statement by the Delegation of Australia

The following text of a statement by the Australian delegation is circulated at the request of the Committee.

My delegation has followed with a great deal of interest and, I believe, profit, the examination of the Pakistan Second Five-Year Plan. The experience of the Pakistan Government, in the formulation and implementation of their development programme, is something from which we have all learnt a good deal. Not only was our examination important for obtaining a better insight into the objectives of the Plan and the techniques adopted under it, but also for what we learned of the directions in which Pakistan hoped in the future to expand her export earnings. As you yourself said at an earlier meeting, the priorities which Pakistan has adopted in determining her future development and in selecting specific industries for development will undoubtedly be of interest and help to the international lending agencies as well as to other developing countries.

The Australian delegation has been discussing over the last few days the lessons which can be learned from our studies of the Indian and Pakistan development plans. We have been particularly conscious of the fact that countries are, at times, receiving aid on a project basis which may lead to some distortion in the optimum development pattern. We are also fully aware that other developing countries have no over-all development plan, proposing for one reason or another to adopt a more pragmatic approach to their development needs.

Whether there be a precise development plan, or whether a more ad hoc approach is taken, most developing countries need assistance in the form of grants and aid as well as increased export opportunities, if they are to achieve a development break-through. All too often, it seems that the donor authorities are placed in the position of having to consider such requests for assistance without an adequate evaluation of the contribution which this assistance can be expected to yield in terms of increased export earnings. More often still, it seems that the donors or lending agencies are not really aware of the relative export earning potential of alternative projects in the same country.
It seems to us, Mr. Chairman, that there is really no international organization which is investigating investment needs against potential export receipts and broad trade implications by weighing competing development projects in individual developing countries. Moreover, it would seem to us that this is a field in which GATT - and more particularly Committee III - can play an important constructive role. In saying this, I am thinking particularly of the assistance which this Committee could provide in advising on export possibilities, trade barriers, etc. in connexion with commodities which individual developing countries are considering as avenues for investment. I feel that such agencies as the International Bank for Reconstruction and Development would regard GATT studies of this kind as of material assistance to them in developing their lending programmes.

I am fully conscious of the fact that what I am leading up to is no doubt little more than an extension of the proposal which the United States representative put forward a few days ago. At that time, she suggested that we should attempt to define in a more comprehensive way not only the present commodity interests of the developing countries, but also the range of potential exports. This suggestion was subsequently elaborated on a little by another member of the United States delegation. What I am really suggesting is that we should not only continue to examine detailed development plans, and I hope, at shorter intervals in the future than in the past, but, in addition, that we should examine and report on the potential for trade expansion, on a commodity-by-commodity basis, in those countries which have not formulated comprehensive development plans.

This suggestion should by no means be construed as an attempt by GATT to direct or redirect development proposals, but rather as a constructive approach by the CONTRACTING PARTIES towards the avoidance of problems that may arise from particular development proposals, and not only the avoidance of problems, Mr. Chairman, but even more importantly such studies might prove to be an additional key to the stockpile of investment funds.

Speaking from our own experience, I feel that the availability of such studies by an organization like GATT should be most useful in determining, in co-operation with the recipient countries, the optimum distribution of the resources which we are able to make available under the Colombo Plan.