I have great pleasure in addressing a few words of welcome to all of you who have come to attend this Twenty-Sixth Session of the Contracting Parties.

A few weeks ago saw the close of the nineteen sixties and we have now just entered into a new decade. This might, therefore, be an appropriate moment for us to look back and review briefly the developments of the past ten years so that we can better appraise the work that has been done and judge whether the direction we are taking and the goals we are seeking are well chosen.

The past ten years brought important developments from many points of view. The number of contracting parties has doubled. When my country, after its independence in October 1960, joined this organization in its own right, as the first new contracting party in the new decade, it brought the number of contracting parties to thirty-eight. Today the number of contracting parties is seventy-six. And it is worth mentioning that more countries are showing a keen interest in joining the GATT; at the moment, six countries have officially announced their wish to become contracting parties and are in varying stages of preparing their full accession. Furthermore, another twelve newly-independent countries continue to apply de facto the provisions of the General Agreement while they decide upon the future lines of their commercial policy. Finally, many countries have demonstrated their interest in our work by being represented at this session by observers and by also actively following some of our other activities.

By a coincidence this increase in the number of contracting parties has kept pace with the development in international trade which, from 1960 to 1969, doubled in value from 123 billion to more than 260 billion dollars and nearly doubled in terms of volume. This expansion has made a substantial contribution to material prosperity and economic growth in all countries. It has led to better use of the world's resources. It has contributed to the maintenance of high levels of employment in developed countries and played a fairly important role for developing countries.
It is interesting to identify some of the developments that contributed to this enormous expansion. Prominent among these were the Dillon and Kennedy Rounds of tariff and trade negotiations, which were conducted under the aegis of GATT and which took up the greater part of the nineteen sixties. The results of the Kennedy Round in particular were without precedent in commercial history; although difficult to measure, there is no doubt that they gave an important impetus to the expansion of world trade as a whole.

In reviewing events and developments in the past decade, I would also mention the phenomenon of regional economic integration which came so much to the fore in this period. In this connexion I have in mind not only the large, well-known regional economic groupings, but also the efforts made in this field in the Caribbean and the Latin American countries, in the Arab Common Market and the Central African Union. The reduction and even complete abolition of import barriers and progressive liberalization of trade on a regional scale has resulted in a very significant expansion of intra-regional trade. This development is reflected in the expansion of trade on a global basis.

I think it will be understandable if, as Chairman of the Contracting Parties, I impress upon these regional groupings the continuing need for outward-looking trade policies and the importance of avoiding serious difficulties, for the smaller countries in particular.

There is one aspect of the great expansion of international trade which must give us food for thought and be a continuing preoccupation. The greatest growth in world trade, and the most important advances in trade liberalization (both regionally and in multilateral negotiations), have been achieved among industrial countries. It is also between these countries that there has been a continuous, uninterrupted expansion of trade - considerably in excess of the rate of growth in the trade of developing areas. In the ten-year period just behind us total exports from industrialized countries - mainly representing trade between these countries - increased by about 125 per cent, while the rise in total exports from developing areas was only about 70 per cent.

The plain fact is, therefore, that the export trade of the developing world has failed to expand commensurately with the expansion of trade between industrialized countries or in line with the expansion of world trade generally. While there has been a significant increase in the exports of developing countries in the nineteen sixties, this has fallen far short of these countries' growing import requirements for purposes of their economic development.

The need for a substantial increase in the export earnings of developing countries has, of course, been well to the fore in the Contracting Parties' discussions and preoccupations for many years.
It was among the principal subjects discussed by Ministers at the Thirteenth Session in 1958, on the basis of the findings of the Haberler report, which was commissioned by the Contracting Parties and which indicated the direction the Contracting Parties might take in tackling the problems of trade and economic development. In 1961, Ministers adopted the Declaration on Promotion of Trade of Less-Developed Countries. In spite of unavoidable qualifying expressions, such as "to the fullest extent possible" and the like, developing countries were justified in their expectation that positive and concrete measures would result.

Again, the Programme of Action, drawn up by Ministers in May 1963, clearly indicated the areas where developing countries hoped that rapid progress would be possible.

Progress was made in this period, but it was inadequate when measured against the magnitude and urgency of the problems confronting the developing countries.

The next step was the incorporation in the General Agreement of the new Part IV on Trade and Development, which entered legally into force in 1966. This gave a more satisfactory legal framework for the activities that the Contracting Parties had been undertaking for many years in this field and formalised, as it were, the great importance they attached to the problems of trade and development. However, a machinery is yet to be evolved for the practical implementation of this legal framework; a definite procedure needs to be worked out for conducting consultations on specific trade problems notified by a developing country. It therefore behoved us to give serious and urgent consideration to establishing the machinery which will enable the application, in practice, of the lofty legal principles enshrined in Part IV of the General Agreement.

Over the years the Contracting Parties have acquired a great experience in dealing with the trade problems of the developing countries. They have, in general, demonstrated sincerity in their efforts to make progress in dealing with these problems but there has also been a seeming lack of the political will, on the part of some at least, to facilitate and expedite concrete achievements. Largely because of this many of the major difficulties confronting developing countries in the field of trade have remained unresolved.

I would express the hope in the opening year of the seventies and of the Second Development Decade, at a time when GATT is developing a determined new assault on non-tariff barriers to trade in both industry and agriculture, that we shall also see a decisive break-through in the efforts of the Contracting Parties to deal with the trade problems of the developing world.

Let us draw the obvious conclusion from this historic review and reaffirm the two principal conclusions made at the Twenty-Fourth Session two and a half years ago, that "the liberalization of world trade by means of negotiations remains the primary objective of the GATT" and that "there is urgent need for additional
positive measures for the expansion of trade and the improvement of the trade position of developing countries". It is against these objectives that we should consider the work that has been done and plan our future course of action.

I shall now turn to the session ahead of us. The agenda is much shorter than in the past. At the last session the Contracting Parties asked the Council of Representatives to undertake the widest possible range of work so that the Contracting Parties, when they met in session, could concentrate their attention on matters of major importance. This has been done, and the Council's report on its activities since the Twenty-Fifth Session will be submitted to you.

During an important part of the session we shall be devoting attention to our comprehensive programme of Trade Expansion. We shall consider progress since 1967 when Ministers established this co-ordinated programme, focussing our particular attention on what has been done since the last session. As necessary, we shall be called upon to plan our future work and give the necessary directives.

The work of the Committee on Trade in Industrial Products is concentrated in two main areas: the tariff study and the problems relating to non-tariff barriers.

The tariff study, which aims at an analysis of the tariff situation in 1972 when the Kennedy Round concessions will have been fully implemented, is well on its way. It will be a very important instrument for the future action of the Contracting Parties in the tariff field.

As the process of tariff reduction has proceeded over the years, the problems relating to non-tariff and para-tariff measures have tended to come more to the fore and to be more significant. Sometimes, such measures are maintained for purely domestic reasons, often of long standing, and may only have side-effects on trade. Sometimes, their effect on trade is intentional and a reflection of pressures from industries which have difficulties in adjusting themselves to changes in the competitive situation.

The Industrial Committee has assembled an impressive volume of material concerning non-tariff barriers. It is by no means complete, but it is comprehensive enough to reveal the widespread application of these measures and the magnitude of the problem. We should consider the Committee's report with great care. I hope that, in our deliberations, we may not only provide guidance as to how the Committee should proceed in its future work, but also give serious consideration to the possibility of subscribing to a Declaration of Intent along the lines proposed by the Director-General.

I am sure our discussions will bring out the importance that developing countries also attach to the work of the Committee. Many non-tariff barriers have a heavy impact on products of which the developing countries are the principal exporters, an impact which can have additional significance because of the dependence of these countries on a relatively limited range of export products. At the same time, I would hope that developing countries will not be content merely with asking in general terms for particular or priority attention by the Committee on Trade in Industrial Products or the Agriculture Committee to their problems. The developing countries owe it to themselves to participate effectively in the
detailed discussions of measures and policies of concern to them in these Committees and their sub-groups and to make concrete suggestions for dealing with these problems. This could be the most effective contribution that they themselves could make towards the common task of the Contracting Parties in ensuring that the recognition of the need to give particular attention to the problems of the developing countries in the tariff and non-tariff fields is translated into early action.

The importance of the work of the Agriculture Committee needs no emphasis. The problems which we entrusted to this Committee are deeply rooted in national systems of farm support which are established in isolation and with complete disregard for the growth of international interdependence which has been the general trend in commercial matters. These problems have been with the GATT for many years. The GATT has done a tremendous amount of work in this field with the aim - so far unfulfilled - of deterring trading practices which distort international agricultural markets. The Contracting Parties have examined, in depth and at great length, the problems that arise in an effort to contribute to their solution. In the early sixties, consultations spread over a period of many months were held with the majority of the contracting parties. These consultations indeed contributed to a deeper knowledge of the problems and to a fair understanding of each other's difficulties, but hardly to their solution. Real hopes for genuine progress came only in the Kennedy Round where eventually some results were achieved.

I shall not go further into the factors which have tended to limit and distort agricultural trade to the detriment of those countries which do not have the financial capacity to support their producers, or to participate in the competitive subsidization of exports. We should give serious and constructive consideration to the report of the Agriculture Committee. I hope that, in seeking some moderation of support policies in agriculture, we shall keep prominently in mind the interests of countries which derive most of their earnings from agricultural exports.

The work on agriculture has two aspects. In the first place, there is the examination of the fundamental problems of production and trade policies to which I have referred; the search for solutions to these problems by the Agriculture Committee is, of necessity, a relatively long-term exercise. But there are also problems arising in particular sectors of such extreme urgency and acuteness that a special effort to seek an ad hoc solution as quickly as possible is justified.

I have already mentioned the special difficulties facing the trade of developing countries. We shall have opportunities, in connexion with different items on the agenda, to discuss these problems. The principal occasion will be the report by the Committee on Trade and Development on its activities since the Twenty-Fifth Session.
In this report the Committee has not only discussed a number of substantive problems relating to the lowering of tariff and quota restrictions on the trade of developing countries, and the opening of new opportunities for their exports through such measures as the use of adjustment policies by importing countries. It has also examined how the action of the Contracting Parties in the field of trade and development, including its own procedures, might be made more effective and efficient.

The problems confronting trade in tropical products have been the subject of specific attention following the establishment of the Special Group on Trade in Tropical Products in early 1962. This Group was allotted a special task during the Kennedy Round as a negotiating body and remained in existence thereafter to continue its work. The Group has singled out certain products to which priority attention should be given and has concentrated in the past year, in particular, on the problems of tropical oils and oilseeds, an area in which the Agriculture Committee also has responsibilities. After the report which the Director-General, as Chairman of the Group, will make we might wish to give serious attention to means whereby existing obstacles to the solutions of problems in this field can be overcome.

One possible contribution towards reducing the trade problems of developing countries lies in further efforts to expand their mutual trade exchanges. During the year under review, the Trade Negotiations Committee of Developing Countries has continued its efforts to foster a multilateral exchange of mutually advantageous concessions on tariff and non-tariff barriers between developing countries. This is a new field of endeavour for the developing countries and it is inevitable that progress should be slow. We wish the participating countries well in an exercise which could have an important potential for the future.

I would now like to refer to two further types of activities in the GATT, which are especially directed to benefit developing countries, but somewhat apart from the subject of multilateral trade policy. I have in mind the GATT training programme and the International Trade Centre, both of which have given highly practical assistance to developing countries in the formulation of their trade policy and in extending their export capabilities.

The commercial policy courses organized by the GATT secretariat in Geneva and in Africa are undoubtedly of great value to the governments of developing countries by affording training and experience for officials with responsibilities in trade policy, or for those who are likely to be concerned with such matters. Two hundred and eighty-seven officials from seventy-eight countries have up to now participated in the Geneva courses. Two hundred and fifty-three have attended the courses in Africa; which are carried out in collaboration with the Economic Commission for Africa. The great interest taken in these semi-annual courses has resulted in full participation on every occasion. As a matter of fact, we are receiving an increasing number of applications for the longer Geneva courses, and have, therefore, to be increasingly selective in the choice of participants. The courses are not only at acquainting participants with the multilateral rules and principles of commercial policy, but also have an essentially practical orientation.
The experience gained and the contacts established by the participants make an important contribution to the efforts of these governments to assemble a civil service able to deal with the complex problems of foreign trade.

The International Trade Centre was established by the Contracting Parties in 1964. Since 1 January 1968, as you are aware, the Centre has been operated as a joint co-operative effort by the GATT and the UNCTAD.

Contracting Parties will have seen the report on the third session of the Advisory Group of Experts on the Trade Centre which brings out the increasing development of the Centre's activities in providing a comprehensive programme of assistance to developing countries in the field of export promotion. The Contracting Parties will, no doubt, continue actively to interest themselves in the further evolution of the Centre's activities in an area of growing importance to the developing countries with particular emphasis, however, on the need to safeguard the eminently practical character of its operations.

Our discussion on the Expansion of Trade Programme will not only enable us to discuss in depth the principal trade problems that confront us. It will also be our task to give guidance to the various committees, groups and sub-groups so as to ensure efficient progress. We must also give our special attention to the question of the continued maintenance of import restrictions, one of the most intractable problems with which the Contracting Parties have been confronted over a period of many years. This problem has been on our agenda many times. It was raised at the Twenty-Fourth Session and again at our last session. It is my hope that the proposals made by the Director-General and endorsed by the Council will meet with your approval. The procedure thus proposed to deal with quantitative restrictions should start as soon as possible after this Session and be carried out expeditiously.

The question of the inter-relationship between commercial and monetary policies has become more prominent in recent years and has increasingly occupied the attention of policy makers. The matter was referred to by several delegations at the last session when they stressed the growing tendency for governments to use measures restrictive of trade to deal with difficulties that were mainly monetary in character. I am sure that governments will have been giving close attention to this important question and to the possibility of GATT playing a more effective role in the international adjustment process. In this connexion you will all have noted the statements of the Managing Director of the IMF and of the United States Secretary of the Treasury at the last Bank/Fund meeting that the collaboration between these institutions that have special responsibilities in the fields of monetary and trade affairs should be reinforced. I know that the Director-General has been giving serious thought to this whole question and will, I am sure, be seeking your views on it.

Much work has been achieved since the last Session. More remains to be done. Work of a more difficult nature lies ahead of us. The time has come to start drawing conclusions for our future action from the extensive investigations that have been under way. This calls for trade policy decisions and leadership. It calls for guidance from the Contracting Parties at this session.