I am pleased to take the floor today in the Economic and Social Council, on an ad hoc basis so to speak, and I am grateful to you for the invitation you kindly extended to me. Your invitation certainly came at a timely moment in view of the growing interest in the forthcoming multilateral trade negotiations. Indeed, it is becoming increasingly evident that the outcome of these negotiations will have considerable consequences for the future of world trade and for international economic relations as a whole.

The raison d'être of these trade negotiations, and their importance, is apparent from their background and from the developments that have made them necessary.

Certainly, the multilateral trading system founded on the General Agreement on Tariffs and Trade has contributed in very large measure to the establishment of orderly trade relations and to the expansion of world trade during the quarter of a century that has passed since the second world war. The volume of world trade has multiplied several times over during GATT’s twenty-five years of existence. However, important changes have been taking place in trade relations over the past several years. There has been a marked shift in the relative importance in world trade of the principal trading nations. There is the worldwide trend toward regional groupings, and this is most strikingly demonstrated by the recent enlargement of the European Economic Community. The détente in political relations opens up new trading possibilities between East and West. And the need to provide solutions to the special problems of the developing countries has become increasingly urgent.
These changes inevitably generate tensions and create problems which can only be solved by dealing with them together in comprehensive trade negotiations. Moreover, the progressive breakdown of the international monetary system has brought about a chronic instability in the trading currencies. Inflation also contributes to the difficulty of maintaining stable exchange rates and adds to the uncertainty in trade exchanges.

In these circumstances, the multilateral trading system has been submitted to increasing strain, protectionist trends have become more pronounced and there has been the risk of nations retreating into economic nationalism.

Confronted by this situation, and if a return to the chaos of the 1930's were to be averted, the trading nations had no choice but to move forward, in other words: to inject into trade relations a new vitality, to adapt to the new, pressing needs of world trade, while consolidating the achievements of the past, and, above all, to unite in a common effort to ensure the continued expansion of trade through a more determined dismantling of trade barriers.

Such is the background of events which have made essential new, wide-ranging multilateral trade negotiations.

Preparations for these new negotiations, which will take place within the framework of the General Agreement on Tariffs and Trade, are now in their final phase. This preparatory work has been going on in GATT for several years - in fact, since the conclusion, in 1967, of the previous round of trade negotiations. During these years GATT has assembled a very considerable amount of detailed data on all obstacles to the exchange of goods; as a result, the preparations for the negotiations, on the technical plane, are much more advanced and much more complete than they were on the occasion of previous negotiations.

In November 1972, at the twenty-eighth session of the GATT CONTRACTING PARTIES, a number of countries accounting for a substantial proportion of world trade gave further political impetus to the momentum already under way in favour of new negotiations. These countries reaffirmed their will, already expressed earlier in 1972, to initiate and actively support multilateral trade negotiations in 1973 within the framework of GATT, with the aim of concluding them in 1975. The developing countries, while expressing their interest in these negotiations, understandably did not wish to commit themselves to participating in them before knowing more about the principles and guidelines which would govern the negotiations.
The objectives of the negotiations, according to the summing up by the Chairman of the Contracting Parties at the end of the November session are: an expansion and ever greater liberalization of world trade; and an improvement in the standards of living of the people of the world. It was agreed that these objectives could best be achieved through co-ordinated efforts to solve in an equitable way the trade problems of both the developed and the developing countries. It was also agreed that the negotiations should aim to secure additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, a diversification of their exports, and an acceleration of the rate of growth of their trade, taking into account their development needs.

The negotiations will cover tariffs, non-tariff barriers and other measures which impede or distort trade; they will cover both industrial and agricultural products, including tropical products; and they will take particular account of the need to find solutions to the problems of the developing countries. The least developed countries will be the subject of the special attention that is certainly called for.

A further point of interest to developing countries is that all of them, whether they are parties to the General Agreement or not, have been invited to participate in the preparations for the negotiations and in the negotiations themselves.

A Preparatory Committee for Trade Negotiations, set up at the session of the Contracting Parties in November 1972, is at this very moment holding its third and final session in Geneva. This session is the culmination of six years of intensive technical preparation. To a large extent, the work of the Committee is of a highly technical character and I shall not take up the time of the distinguished members of this Council with a detailed account of these technicalities. It will suffice to say that the Committee is elaborating the objectives and principles of the negotiations and examining the various approaches that might be adopted for them. The Committee will be presenting its report to a meeting at Ministerial level which is to be held in Tokyo in September 1973, where it is expected that a declaration formally launching the negotiations will be adopted.

I would wish to point out, Mr. President, and indeed to assure you, in my capacity as Chairman of the Preparatory Committee, that the special needs and problems of the developing countries have been constantly in the minds of everyone working in the Preparatory Committee. I am happy to note that more than forty developing countries members of GATT,
or associated with GATT, and twenty non-member developing countries are taking part in the work of the Committee. It is understandable that many of these countries will have to examine carefully what benefits they may expect to receive from the forthcoming negotiations. It is for this reason that the GATT secretariat is providing technical assistance to developing countries to help them in identifying their specific trade interests and trade problems, in analysing the various techniques and modalities of negotiation, and in examining the solutions that might be reached in certain fields of special interest to them. Right now the GATT secretariat is conducting a course, in Spanish, to assist officials of Latin American countries in preparing for the forthcoming negotiations.

I have quoted this example because, whatever techniques and modalities are finally adopted to take care of the interests of the developing countries in the negotiations, by far the most effective means of defending and promoting their interests is for the developing countries themselves to be active participants in the actual negotiations. This is why it is essential that the largest possible number of developing countries decide to participate in this undertaking.

There is another point I believe I should touch upon regarding the developing countries. The forthcoming GATT negotiations are going to be "trade negotiations", nothing more, nothing less. Which means that, however wide their coverage, whatever techniques are worked out, and despite all the efforts to ensure that they result in beneficial effects on the trade and the export earnings of the developing countries, these negotiations are not going to solve all the problems of these countries.

For the developing countries are not only confronted with a "trade" problem but also with a much wider and more general problem - a "development" problem. Improved access to the markets of developed countries is undeniably a necessary condition of the economic development of the developing countries, but it is not sufficient in itself and certainly not the only solution for all their difficulties. The mere lowering of a tariff or the simple removal of a non-tariff barrier, even on a product of particular export interest to developing countries, may not immediately benefit all developing countries, because not all these countries are fortunate enough to possess the general economic infrastructure which would enable them to reap the trade benefits that could be derived from concessions obtained in the GATT negotiations. This would be particularly true in the case of the least developed countries.

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In this situation, what should be done? The work already being undertaken in fields other than trade should be followed up and intensified: for example, in the fields of know-how and investment for increased and more efficient production, financing related to trade, marketing and trade promotion, access to new technologies, maritime transport, insurance etc. GATT’s competence is in the field of trade and GATT, believing in the merits of the division of labour and responsibilities, has no intention of going beyond the limit of its competence. Many of the matters that I have just mentioned fall within the province of other bodies, and I am sure that those other bodies will also pursue and develop their efforts parallel to the GATT negotiations. This sort of complementary action would help developing countries, and in particular the least developed among them, to increase their export potential and obtain the maximum real advantages from the GATT trade negotiations.

In concluding my remarks, Mr. President, I would like to emphasize again the importance of the forthcoming negotiations for all trading nations and for the future of international economic relations.