Speech by Ambassador Tafazzal Ali (Pakistan)  
delivered in plenary session on 9 November 1954

There are few responsible people who fail to recognize the fact that GATT has served a useful purpose during a period of difficulties and adjustment by reducing conflicts and divergences in trade practices. Not only that, but it has held aloft the ideals of multilateral trade and non-discrimination, and the rules of GATT, or its articles as they are more correctly referred to, aim at achieving these objectives. As you know, Mr. Chairman, Pakistan has been endeavouring to the best of her abilities to carry out the obligations imposed upon her as a Contracting Party, because we recognize the importance of freer trade both as an end in itself and also as a means to the achievement of convertibility to which we are committed. This, despite the fact that the economy of an under-developed country such as Pakistan which depends for its foreign exchange earnings almost entirely on the export of one or two primary commodities did not receive the direct benefits resulting from tariff concessions which were available to industrialised countries. For this reason a review of the Agreement upon which we are now embarking is of particular importance to countries such as Pakistan, as we feel that an opportunity now offers itself to ensure that the new agreement is so drawn up that it affords positive benefits to all types of economies represented by its signatories. An even more important consideration is that the trading rules are such that they do not interfere in the essential task of economic development in under-developed countries. This task in such countries is that of ensuring that some hundreds of millions of people in the world have the barest minimum necessities of life so that they are able to live above the sub-human standards which is their lot now. This unfortunate situation is brought about among others by the fact that a country mainly dependent on the sale of a few primary commodities to the world has a very vulnerable economy and changes in the prices of these commodities have repercussions affecting also their development plans and programmes. It is, therefore, not only essential that the prices of primary commodities are stabilised but it is also necessary that primary producing countries are permitted to take whatever steps may be necessary in the light of existing circumstances to sell their exports. This raises the very important question of commodity agreements and in particular an examination of the factors which tend to depress prices of primary commodities.

In view of the importance and urgency of raising the living standard in under-developed countries, my delegation would also support the inclusion in the revised agreement of such provisions of the Havana Charter which hold out hopes of better conditions of life and fuller employment.

In the framing of trading rules, while our ultimate objective must be to ensure a multilateral trading system on a non-discriminatory basis, we should see that these rules do not in any way impede the economic development.
of the under-developed countries. The existing backwardness of these countries, is such that the use of restrictive measures which highly industrialized countries would wish to see wholly dismantled and done away with, are indispensable under certain circumstances to them. This problem of the application of restrictive measures by under-developed countries needs to be faced frankly. They will need to use quantitative restrictions not only for balance of payment reasons but also for development purposes. We fully realize the importance of internal monetary measures and sound fiscal policies but we are convinced that in the present state of their economies, the under-developed countries cannot give up quantitative restrictions. They would have to take recourse to quantitative restrictions for carrying through their development programmes. The under-developed countries with shortage of technical know-how and other handicaps would also need the use of quantitative restrictions for protective purposes. We are fully conscious of the fact that indiscriminate use of quantitative restrictions may lead to development of uneconomic industries and it is therefore in the interest of the under-developed countries themselves that they should be extremely cautious in the use of quantitative restrictions for this purpose. In the newly developing countries industries are in the process of growth. They require governmental assistance for their maintenance and development. We recognize that the right to use quantitative restrictions for development and protective purposes will have to be limited to certain countries which can, on some agreed formula, be accepted as under-developed.

We also appreciate, Mr. Chairman, that GATT has brought about a stabilization of tariffs, and while we would not wish to see this position greatly disturbed, it is necessary that a reasonable amount of flexibility for future adjustments continues. This is particularly important for Pakistan. Pakistan, as you know, came into existence in 1947, when tariff concessions had already been negotiated. The requirements of Pakistan's economy or the programme of its development could not then be foreseen. We may therefore have to ask for releases and re-negotiations on some of the items in our Schedules. There may be other countries who, for one reason or another, feel that their tariffs need adjustments. We should all recognize that whatever adjustments are necessary should be allowed, as it is only after maladjustments that stability can really be assured.

In short, Mr. Chairman, I would like to say at this stage that in any new rules that we frame for the conduct of our affairs in the years to come, we have to take full account of the special needs of the under-developed countries, some of which I have tried to explain. As to how best this can be done we are here to deliberate and decide. This can be done either through escape clauses in the new rules which may be framed or through two inter-related sets of rules. The most important thing, however, is to make adequate provision for these needs.

To sum up, Mr. Chairman, the position is that the new rules which we are about to frame should take account of all such situations as we are able to foresee at present and try to make provision for them. The requirements of the under-developed countries should be fully recognized and provided for. While we should steadfastly keep before us the objective of multilateral trade, we should in our efforts here in the coming few weeks show that at
least in the sphere with which we are concerned we have made the utmost contribution to one of the most urgent problems facing the world, that is, raising the standard of living of the people. Whatever we can do to ameliorate their conditions would be a significant achievement, and would go a long way in creating confidence in and giving strength to our trade rules.