Mr. Chairman, I have been directed to convey to the Contracting Parties the genuine regret of the Minister for Commerce and Industry of the Government of India that owing to preoccupations at home he is unable to be present here himself. He wishes, however, to add the felicitations of the Government of India on the completion of ten years of working of the General Agreement.

I would like to associate my delegation with the tributes which have been paid to Mr. Wyndham White and to the secretariat for the yeoman job which they have done over the years in building up this organization.

Next, of course, I must felicitate the secretariat on the excellent review of international trade which they have been producing. It is a matter for gratification that the report for the last year is being considered and debated for the first time formally and that we expect this to be in future an annual feature on our agenda.

We have already heard statements from Ministers and from several contracting parties on the important issues which are before us during the current Session. It would be unnecessary to take the time of the contracting parties by going over the whole ground. I shall confine myself to some general remarks on the situation as we see it and as it affects us in the commercial and economic field as an individual contracting party and as a party subscribing to the philosophy and ideals of the General Agreement.

You, Mr. Chairman, have drawn attention to the one significant fact in the trend of international trade, namely, that the commerce of the industrialized countries has expanded a good deal more satisfactorily than that of less developed countries. This is an observation which is particularly pertinent in my country's circumstances today. We are in a process of development and the problems of countries in that process are affecting us particularly at the present moment.
We are facing serious problems in balancing our external payments and have been compelled to cut down our imports. Our experience in this matter is not unique. It would, therefore, not be inappropriate if I was to indicate how we feel the Contracting Parties, particularly more developed countries, could help us and other countries similarly placed.

First and foremost, external capital investment can be of the greatest assistance. My delegation was particularly happy to note the statement of Sir David Eccles on the subject. Secondly, programmes of aid can be of major help. We are ourselves indebted to many countries for help in various forms and I would take this opportunity to acknowledge the great value of the assistance which we have received through allocations made by the United States Government under Public Law 480 and in other ways.

Thirdly, our efforts to increase and diversify our exports should be helped in every possible way. India has only three main lines of export - cotton textiles, jute manufactures and tea. In respect of each of these we have to face not only an inelastic demand abroad but also other impediments such as protectionist policies even in countries which are highly developed and the levy for fiscal reasons of duties which inhibit consumption and reduce our exports.

Fourthly, as we develop we hope to have more of processed goods than of raw materials for export. Instead of iron ore we might be exporting pig iron or steel or even steel goods. We should like to feel that through the efforts which the GATT is making to expand world trade, we shall have the possibility of exporting new products and, of course, in return, importing more than we do today.

Finally, stability of commodity prices is an important matter for all countries whose exports consist of primary produce and we feel that through international co-operation we should evolve policies which will lead to greater stability.

Having made these observations which arise from our own experience in India but which we believe apply or will apply to many of the countries in Asia, Africa and South America which are developing their economies, I turn to the main item on the agenda of this Session, namely, the Treaty of Rome.

We have heard the case put forward very ably for the arrangements contemplated under the Treaty of Rome. We have been told of the motivations from which these arrangements arise. The Contracting Parties have also heard a number of apprehensions expressed in regard to these arrangements. The Indian delegation shares these apprehensions. I shall not now go into details. I would observe that we are on the whole a little apprehensive of the effects of the growth of regionalism on international trade and the multilateral system we have been trying to evolve under the GATT. A system of multilateral trade with a gradual dismantling of restraints has been laboriously worked out since the end of the war. We agree very much with our Australian colleague that it would be most regrettable if this process of liberalization were to be reversed. The Messina countries have stated that nothing in the working of the Treaty of
Rome would be allowed to derogate from their obligations under the General Agreement. We welcome this assurance and hope that it would be supplemented by arrangements which can be considered satisfactory to all the contracting parties.

From such study as we have been able to make so far, we are unable to persuade ourselves that the association of overseas territories in the manner proposed is compatible with the existing provisions of the General Agreement or could be dealt with under Article XXIV. Here we are in full agreement with Sir David Eccles when he pointed out that the association of overseas territories would amount to the creation of a new area of preference. The Indian delegation is against the creation of new preferential blocs. It considers that insofar as these measures are calculated to help the particular territories, it is most undesirable that economic help should be linked with political dependency. The Indian delegation further considers that preferential arrangements which benefit one under-developed area may well create a serious problem for others. The admirable statement of the Minister for Ghana should give us all reason to pause and reflect. The association of the overseas territories with the highly industrialized Messina powers under a free trade area arrangement will make their economic and industrial development an impossible task. The basic point about a customs union is that it is a partnership of similar economies and not a tie up between a market and its customer. Although this is not expressly stated in the Articles a study of the wording of Article XXIV leaves one in no doubt on this point. We have in the new GATT provided in Article XVIII special measures to help economic development. As will be clear from paragraph 8(a)(i) of Article XXIV, restrictions falling under Article XVIII cannot be applied by one part of a customs union to another. If, therefore, the association of the overseas territories under the Treaty of Rome is inescapable, we would urge that the sooner we decide clearly and positively to apply the procedures of Article XXV the better it would be for all of us.

We fully appreciate the point made by Dr. Hallstein of Germany that the aims and objectives embodied in the Treaty of Rome are similar to those which have been embodied in the General Agreement. Indeed, considering that the six signatories to the Treaty of Rome were already aware of their commitments under the General Agreement, we feel quite sure that they would not have lightly put their signatures and committed themselves to principles and objectives which were different from those to which they had already subscribed. It is important, however, that we should, through a joint study and scrutiny, ensure that there is no conflict or contradiction between the two Treaties. Where, as in the judgement of many of us, there are conflicts, we hope to resolve them across the table by the exercise of the understanding and goodwill which has characterized the working of the General Agreement.

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