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GENERAL AGREEMENT ON TARIFFS AND TRADE

Thirteenth Session of the Contracting Parties

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MINISTRY OF EXTERNAL AFFAIRS OF CEYLON,
DELIVERED AT THE PLENARY MEETING OF THE CONTRACTING PARTIES HELD ON
17 OCTOBER 1958

At the outset, I must convey the apologies of the Hon. Mr. R.G. Senanayaka, the Minister of Commerce of Ceylon, for his inability to attend this Session of the Contracting Parties. He had attended the Sessions during the past two years and has taken and continues to take a keen interest in the work of the GATT. My Government had, in fact, informed the secretariat a month ago of the Minister's interest in the idea of a Ministerial session and of his willingness to attend such a session. Unfortunately the intervention of unforeseen circumstances has precluded the Minister from attending this Session.

The number thirteen is generally regarded as an inauspicious figure. Judging by the number and complexity of the items on the Agenda of this the Thirteenth Session, it would seem that the operation of the General Agreement will not only continue to be beset with difficulties, but that these difficulties will continue to increase. The outcome of this Session will, in our view, demonstrate whether the General Agreement will prove to be the effective instrument that it was intended to be for the formulation of international commercial policies, or whether it will be yet another record of hopes and aspirations which in practice tend to elude our grasp. Tendencies seem to point in the direction that the General Agreement will in time be neither general nor an agreement.

Items on the Agenda such as the Rome Treaty, the report on Trends and Developments in International Trade, and German Import Restrictions, present a challenge to the General Agreement. If contracting parties are unable to shape policies that conform to the provisions of the General Agreement, and to the basic principles of multilateral trading that underlie this Agreement, the prospects for the General Agreement do not appear to be very bright. During the last four years or thereabouts with all our endeavours, the
the achievements in the direction of freer multilateral trading cannot be described in extravagant terms. I admit that certain advances have been made, but these have not been large in comparison with the amount of time and energy expended by the Contracting Parties. In this context, the suggestion that there should be three or perhaps four sessions per year hereafter is one that would certainly not appeal to governments such as mine where the number of officials who can be spared for conferences is very limited. Naturally, any proposal to have more frequent sessions of the Contracting Parties will be judged by what is achieved at the sessions. At the opening stages of this Session I do not wish to make any references to specific cases, but contracting parties are aware that a number of items on the Agenda are hardy annuals, and no permanent solutions have been found for these problems. We have no doubt about the value of international co-operation and effort, and we trust policies will be so conceived and implemented to enable all contracting parties sooner rather than later to reach full economic stature. The growing imbalance that we see between industrial countries and primary producing countries cannot contribute towards world stability.

To an under-developed agricultural country such as Ceylon, naturally the item that is of greatest interest is the excellent report by the Panel of Experts on Trends in International Trade. The members of the Panel ought to be congratulated for the realistic manner in which they have approached the complex problems that were referred to them for report. The translation into practice of the recommendations of the Panel, however, will not be an easy task and will need all the goodwill and energy of the Contracting Parties.

Contracting parties would recall that at last year's Ministerial session, the Minister of Commerce of Ceylon made pointed reference to the problems of agricultural countries, and he hoped that the GATT would actively assist under-developed countries to raise their standard of living and to develop their means of production. He enquired what contribution the GATT had made up to that time in assisting under-developed countries. He stated in rather strong terms that the machinery of the GATT is appropriate for the needs of industrial countries, but inadequate for the solution of the problems connected with international trade in primary products. We note that the Panel of Experts have arrived at a similar conclusion. If I may quote from the Summary of Main Conclusions in the Report (paragraph 62) "We think that there is some substance in the feeling of disquiet among primary producing countries that the present rules and conventions about commercial policies are relatively unfavourable to them". However, we are glad that the necessity to frame special policies in respect of under-developed countries has been underlined by India and the responsibilities of the other members in this direction was clearly indicated by Sir David Eccles. We are hopeful that in the future administration of the

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General Agreement, contracting parties will appreciate better the special problems of primary producers.

Stabilization of the prices of primary products was another subject on which my Minister placed considerable emphasis at last year's Ministerial Meeting. We have read with great interest the stabilization schemes proposed by the Panel of Experts. While I do not wish to enter into a discussion of this matter at this stage, I cannot help but remark that the economists have proposed solutions which are quite sound economically, but which might be difficult to achieve in practice on the international plane. I refer to the extent to which the exporters have relied on the economic behaviour of the industrialized countries for ensuring the stability of prices of primary products. International commodity agreements have been given only a second place. While, as I have already stated, this might be quite sound reasoning on the plane of economic theory, an assembly of nations such as this has an obligation to work out solutions which can be enforced and supervised by the Organization. The fortunes of one member cannot be left to the good sense or it may be the mercy of another member or a group of members. There must be international responsibility, and rights and obligations should be clearly defined and enforced. The Ceylon delegation would suggest that at least a preliminary examination of the Report of the Panel of Experts should be made at this Session. If contracting parties find themselves unable to devote adequate time to a preliminary study, we would suggest that a working party be appointed without delay to make this study. This working party should, at least, be able to report to the Contracting Parties by the end of this Session on what lines further progress can be made with regard to the Report furnished by the experts.

As I mentioned earlier, I reiterate the hope that this Session will be more fruitful of results, and that a change in emphasis as well as in procedures will enable under-developed countries to attain better economic standards all round. Finally, I wish to convey the thanks and appreciation of my Government to you, Mr. Chairman, and the secretariat, for your able and skilful direction in the application and administration of the General Agreement.