The continued high level of economic activity and international trade which is the background to this seventeenth session of the Contracting Parties should not induce in us a sense of complacency. On the contrary, we should regard this situation as presenting us with a particularly favourable opportunity for tackling the various important problems with which we are confronted. Solutions to these problems are the best means of ensuring the continuous expansion of international trade which is the contribution to the process of economic growth and development for which the GATT has a special responsibility. In the Programme for Trade Expansion we have provided a soundly conceived basis for action by the Contracting Parties on a wide front and the periodic sessions of the Contracting Parties should, I think, be used as an opportunity for keeping up the momentum of this programme.

Early next year - after a long period of careful preparation - we shall be embarking on the tariff negotiations which are an important part of this programme. The successful launching of these negotiations depends, however, upon the successful conclusion of the negotiations under paragraph 6 of Article XLI relating to the adjustment of tariff commitments consequent upon the adoption of the common tariff of the European Economic Community. These negotiations are very complex and they raise difficult problems. Their completion by the end of 1960 will require a maximum of hard work and mutual comprehension. Moreover, important as these negotiations are in themselves, we must all of us be aware of their special significance in clearing the way for the Dillon negotiations in 1961. In any circumstances, the prospect of a general round of tariff negotiations would be a challenging prospect. This particular round has a special significance, however, in that many contracting parties see in it a prospect for extending into the larger GATT community the process of tariff reduction and trade liberalization which is projected on a more accelerated basis in the regional trade groups, and particularly in the EEC and EFTA. To the extent that this is achieved, the adjustments in trading patterns and relationships which these regional arrangements precipitate will be greatly eased.

Our enquiry into the special problems affecting the trade in agricultural and food products has been pursued with all the care and thoroughness which the difficulty and importance of the subject matter require. The series of consultations carried out by Committee II on national agricultural policies and their
impact on commercial policy have by common consent contributed to a better understanding of the basic problems. Our task now is to pass on from study to negotiation and action. Committee II has provided a valuable basis for this next stage in the draft outline for a report which it has drawn up and which has been distributed for study. The results of this study and the conclusions drawn from it will have basic importance for the future of international trade.

Concurrently and in the course of the Tariff Negotiations, governments will have to find a basis for agreement on the conditions of access to markets for particular agricultural and food products in order to arrive at an exchange of mutually advantageous tariff concessions. The discussions in Committee II should be a helpful background to these negotiations.

Despite the generally favourable trading conditions to which I have referred, it continues to be true that the principal beneficiaries of the expansion of international trade are the highly industrialized countries and that the trade and export earnings of the less-developed countries do not show the same rate of growth. It is unnecessary for me to stress again the importance of export earnings to the economic development of the less-developed countries. It is to the credit of the Contracting Parties that they have been amongst the first to recognize that the promotion of the economic development of these countries involves trade as well as aid. It is in the action of the Contracting Parties to GATT that lies the best hope that this recognition will be translated into effective action. It is therefore gratifying to note that Committee III had continued to tackle its programme in an energetic and practical manner. The latest report of this Committee records a number of measures taken by many contracting parties which should expand the export opportunities of the less-developed countries. At the same time, however, the report contains even more indications of further possibilities for action by contracting parties in this field. I would hope that contracting parties would give the most earnest study to these recommendations and report on the measures which they feel able to take to give effect to them. We should also give due weight to the other side of the Committee's work, to the examination of the export programmes and possibilities of the less-developed countries and to the creation of favourable conditions on the side of the exporting as well as the importing country. Here the constructive co-operation of the less-developed countries themselves will be of decisive importance.

Following the major move towards dismantling quantitative import restrictions, which was made at the Tokyo session, it is gratifying to note that further progress has been made by a number of countries both in reducing or abolishing such restrictions and in eliminating restrictions of a discriminatory kind. However, this is not the moment for complacency or self-congratulation. In view of the favourable world economic climate, it is essential that progress should be maintained and even accelerated; for there are still problems to be solved, not
only by countries which need special measures to protect their balance-of-payments position, but also by countries whose financial situation is such that there is no longer any justification, under the terms of the General Agreement, for maintaining quantitative restrictions on imports.

The Chairman of the Contracting Parties at the last session referred to the necessarily deliberate and cautious approach of the Contracting Parties to the difficult problem of market disruption, more popularly - and somewhat misleadingly - referred to as "low cost" or "low wage" imports. No one will therefore be very surprised that there has not been any great progress in dealing with this matter since the last session. However, whilst caution in this field is understandable and indeed desirable, the problem is an urgent one and I hope that at this session the Contracting Parties will bring to bear upon it the energy and imagination which are necessary if we are to find a constructive solution. This, it seems to me, is not a problem where temporisation will bring its own solution.

We have again on our agenda problems arising out of tariff reforms which are being carried out by some contracting parties. These are always difficult questions since they have a direct impact on the tariff concessions embodied in the schedules, and the procedures for the modification of the schedules were not devised for such situations. However, the Contracting Parties have in the past dealt with such problems in a realistic fashion and, in particular, with a full realization of the relationship between tariff revision and programmes of financial and economic stabilization. A general tariff revision also affords to contracting parties embarking upon it an opportunity to review and modernize other aspects of their customs and trade regulations which may be as burdensome, or more burdensome, than high rates of duties. Thus, in some recent cases, the Contracting Parties have been able to note with satisfaction that the reform of the customs tariff has been accompanied by a substantial alleviation of consular formalities and consequent charges. I am sure that all contracting parties are fully alive to the general advantage of keeping these questions under continuous review and including them in the scope of any tariff revision and reform.

At each of our recent sessions, we have been able to note with satisfaction the addition of new countries to the ranks of the Contracting Parties. This session is no exception. In the interval since the sixteenth session, Nigerie has become a contracting party in accordance with the procedures of Article XXVI. It is a particular cause for satisfaction that the representation of the African continent should be thus notably strengthened.

Portugal and Spain will also be participating in the session in accordance with the arrangements agreed upon at the sixteenth session and we shall look forward to their contribution to our discussions. These countries will also be taking part in the 1961 Tariff Negotiations with a view to accession under Article XXIII.
Since the last session, we have received two new requests to accede pursuant to Article XXIII and these are included in our agenda. I refer to the requests from Ireland and Argentina. Without wishing to prejude the consideration of these applications by the Contracting Parties, I would like to say a word about each of them. The name of Ireland never fails to evoke the most pleasurable sentiments and the presence of Irish representatives among us will I am sure be welcome to all. Moreover, Ireland will complete the circle of European countries who in the OJILEC have done such valuable work to promote the objectives of the GATT. It is appropriate and welcome that in the new conditions of international trade they should now come forward to give a new impulse to the same objectives in the broader framework of the GATT.

As regards Argentina, I think I can safely say that we have all been looking forward to the day when the Argentine Government felt that it would be able to take its place amongst the contracting parties to GATT. Argentina is not only one of the leading countries in the Latin American continent but is also an important trading nation. Our company has been incomplete without Argentina and we shall be most anxious to find a mutually acceptable basis for her early accession.

As a result of these further applications and the additions made to membership in recent years, the universal scope and character of the GATT have been considerably re-inforced. Thus, today there are thirty-eight contracting parties, one country which has provisionally acceded and whose trading relations are firmly based on the GATT provisions, five more countries are negotiating for accession in 1961 and meanwhile participating in the work of the Contracting Parties, two more applications for accession are before us at this session and two other governments are associated in differing degrees with the GATT through special Declarations. Thus, there is a total of forty-eight countries which are either parties to the General Agreement or actively associated in its work. It is therefore not surprising that the task of administering the General Agreement has become increasingly heavy. Moreover, the work of the Contracting Parties has over the last few years increased both in scope and depth. The Special Group on Organization drew our attention at the last session to the importance of undertaking a corresponding strengthening of our organizational arrangements. We then took a first step in the setting up of the Council. The Council has had its first meeting in the interval between the two sessions and I think we can safely predict that it will become a valuable part of our organization. I suggest that, during the present session, we should all give some thought to the future division of work between sessions of the Contracting Parties and sessions of the Council. The agenda for sessions of the Contracting Parties are much too long and unwieldy for all items to be given the attention they deserve and I think we will find that many of the items which have appeared regularly on the agenda for sessions of the Contracting Parties might well be assigned to the Council. The contracting parties have given encouraging proof of their recognition of the great potential of the Council in the arrangements they have made for their representation on the Council. The Special Group also told us that a substantial reinforcement of the secretariat would be necessary. The Executive Secretary has since advised us that, on further examination of this matter, immediate action is needed and that the gradual build-up envisaged by the Special Group would involve a temporary slowing down in the existing programme of the Contracting Parties. Clearly this is a question to which we shall need to give careful attention at this session.