It appears to be generally recognized, from the statement made today, that the traditional product-by-product machinery of tariff negotiations has virtually exhausted its usefulness. My Government agrees with this opinion. Other techniques have been suggested as being more appropriate, including linear percentage tariff reductions. My Government will be glad to co-operate in studying the possibility of progress in this direction, but it feels that too rigid an insistence on reciprocity under this system would inevitably limit - as under the existing system - the ability of the less-developed countries to participate. The highly-industrialized countries will no doubt appreciate that they cannot look for direct reciprocity from the less-developed countries in return for tariff reductions benefiting those countries' exports. They can, however, look for the favourable effects which will result for their own trade from the economic growth that such reductions will stimulate in the less-developed countries. Moreover, action of this kind would reduce the pressure within the less-developed countries for the erection of protective barriers to promote their own development.

However, given a flexible approach to those problems, I have no doubt that appropriate solutions can be found. The Executive Secretary has, for example, suggested possible solutions to some aspects of the problem by directing attention to the prospect of freeing trade in raw materials, semi-processed goods and tropical products. In this connexion, my delegation will return to the suggestion for a free trade area in tropical products when the Nigerian proposal is discussed in more detail.

With regard to the question of the application of Article XXXV, I have only to say that my Government is moving towards the granting of full most-favoured-nation treatment to Japan. Progress depends upon the speed with which we are able to resolve, in direct negotiation with the Japanese Government, the particular problems which exist between our two countries.