First of all I should like to associate myself with the other distinguished speakers before me in commending the Executive Secretary and his staff, for the excellent job they have done in preparing this meeting.

Also I should like to avail myself of this opportunity to extend my congratulations to you, Excellency Barbosa da Silva, on your election as Chairman of this ministerial meeting. We are happy that the Chairmanship is in such able and experienced hands, the more so because this ministerial meeting is a very important one.

I do not want to belittle the importance of previous GATT sessions, but actually GATT is facing now the inescapable fact that something must be done to promote the economic development of less-developed countries of the world, and that this must be done now. Not only do the less-developed nations constitute about two-thirds of the member States of the United Nations, but taking the world as a whole, the ratio between developed and less-developed countries is even more appalling still.

Worst of all, the economic gap between developed and less-developed countries is growing wider instead of getting smaller. This is one of the most serious threats to world stability and world peace.

It is with great interest that I have taken note of Mr. Ball's proposal on a Declaration to the Promotion of International Trade. I feel that the United States' delegation has stretched out their hands to the less-developed countries and made it clear that they are well aware of our difficulties.

What is necessary, however, in this respect, is action, speedy action, and I very much hope that the American proposal will be followed by such.

Almost without exception, the economies of the less-developed countries are still basically agricultural in nature, and paradoxically, even in this respect, are unable to meet the basic requirements of their people. Our economies have been geared in the first place to supplying one or a few primary commodities to the world market.

Under such conditions, foreign trade has become the chief determinant of prosperity as we know it today. The heavy dependence on foreign trade, and on monocultural patterns, has made our economies extremely vulnerable to financial instability.
I think this meeting cannot but be most seriously concerned with the fact that the problem of exports is for primary producing economies, a problem to which no satisfactory solution has yet been found, despite repeated attempts on an international level by those of us most directly concerned. It is a problem which, far from being alleviated, is getting more serious with every passing year. World trade figures leave us with little doubt on this score. They show, with persistent regularity, that the share of the less-developed countries in world trade is becoming less and less.

Furthermore, foreign trade is becoming less and less profitable for the primary producers. Favourable trade balances have been replaced by deficits. The prices of primary products are being placed in an increasingly disadvantageous position vis-à-vis manufactured goods.

Developments in the past years have shown that, as a whole, booming industrial conditions in those countries restore the volume of exports of the less-developed countries - somewhat, but, do little to restore the level of prices of commodities we produce. 1959 was a year in which our export position improved, enabling the less-developed countries as a whole, to increase the value of exports by 6 per cent, but this was entirely due to an increase in volume. It is our experience that a favourable international trade cycle is not sufficient guarantee against the type of export problems we face.

After these general remarks, I should like to stress that we in Indonesia are fully aware of the fact that first of all, we must pull ourselves up by our own bootstraps. For this purpose Indonesia has embarked upon, recently, the implementation of an eight-year economic and social development plan. The aim of our National Overall Development Plan is to achieve a just and prosperous society.

Now is not the time, neither the place, to elaborate upon our own economic system or on our planning. It may suffice to mention that we have made a good start and that the fulfilment of our eight-year Plan will bring us well on the road to providing our people with enough food, clothing and shelter; to enhance education and know-how; to provide our country with larger and smaller industries, and also with an adequate communication system on land, on sea, and in the air.

This is a gigantic task to undertake in the largest archipelago in the world, with a population of about 95 million, increasing at the rate of 2 per cent per annum.

No matter how hard we are working, nevertheless we are aware that we can never achieve our aims by ourselves alone. We need international co-operation. We are pleased that several of the developed countries are showing their willingness to assist us financially and also with their know-how. However, loans must be paid back and we can repay these loans only from our earnings, which means in our case from the proceeds of our export trade, because our savings are still inadequate.
Indonesia is at present among the countries with the lowest income per capita. Consequently, to meet the target of an additional increase of export earnings needed to fulfil our eight-year Plan, we have launched an export drive. Measures have been taken such as: establishing export quality control bureaus in the Indonesian ports; intensifying our sales abroad and simplifying our export procedure.

Our export products consist of a variety of agricultural raw material and mineral products. More than 75 per cent of our export earnings, which average 30 billion rupiahs per year, is derived from the export of rubber, petroleum and tin. This makes our country subject to fluctuations in foreign exchange, which hampers the economic development. In order to overcome this, our country has adopted an agricultural policy directed to diversification of our exports. This implies an increase of the production of the other products mentioned above, such as: tobacco, coffee, tea, cocoa etc. Unfortunately, these products are subject to high tariffs and internal revenue charges; quantitative import restrictions; State monopolies and other obstacles in our traditional markets - like continental Western Europe. We feel that our export earnings could be increased to reach the target of 43 billion rupiahs per year, as envisaged in our eight-year development Plan, if the obstacles, as identified by Committee II and Committee III could be removed.

I believe that the problems which my country has to face in its development illustrate fully the problems of the less-developed countries.

The less-developed countries do not ask for favours from the industrially-advanced countries, what they do ask is the opportunity to get a fair price for their products, which due to the conditions of their climate they are naturally endowed to produce. This fair price they can get, if the consuming countries let them have it by opening up their markets, through lowering their tariffs and internal charges.

Tea, coffee, cocoa, palm-oil and other tropical products are not grown in the consuming countries. Consequently the tariffs and internal charges on these products are kept high mainly for State revenue purposes. We of the less-developed countries wonder what the effects of lowering, or even abolishing these tariffs, could have on the per capita income of the people in the advanced countries. It could possibly be that the per capita income will be 1 per cent less. Is this too big a price to pay on the part of the advanced countries - if as a result, millions of people can have decent clothing, food and medicine to combat the diseases incurred by their poor living conditions? This is the question which the industrially-advanced countries have to ask themselves.

Committee III has dealt intensively with the obstacles to the trade of less-developed countries such as quantitative import restrictions, tariffs, revenue duties and internal fiscal charges and State monopolies. Based on its findings, the Committee has drawn up on page 4, paragraph 8 of its report - recommendations to the Contracting Parties - especially to the industrially-advanced countries - to remove these obstacles.
Those are very valuable recommendations. It is the considered opinion of
my Government that the dangerous trend of widening the gap between the indus­
trially-advanced countries on the one hand and the less-developed countries on
the other hand can be reversed, only if tariff barriers will be brought down, if
duties on our export products will be substantially reduced and quota systems
and State monopolies will be abolished.

In fact, Nigeria is right when they propose duty-free import for tropical
products, anyhow for raw materials produced by the less-developed countries.
Moreover in my opinion, these commodities should in no case be subject to any
quota system.

Besides the Recommendations of Committees II and III, the meeting will have
taken notice of a Programme of Action sponsored by nineteen contracting parties,
among them Indonesia. My Government is giving their full support to this
Programme. It cannot be stressed enough that unless the proposals embodied in
this Programme of Action are accepted and complied with, there will be no real
progress in world trade to the benefit of all.

The next point I should like to mention is the effect of regional groupings,
especially among highly-developed countries such as the European Economic
Community. This question has been, and is still the subject of many heated
debates in international circles, notably the GATT. We are of the opinion that
the common external tariffs are detrimental to the export trade of the less-
developed countries. Bearing in mind that the Community will be possibly
enlarged in the near future, the position of the less-developed countries -
especially those not included in the associated territories - will become worse
still.

It has been argued that the establishment of the EEC and its future enlarge­
ment, should eventually benefit the less-developed countries, since the assured
increase of industrial production in this Community would lead to the expansion
of markets for raw materials. This would be true only if the present common
external tariff be reduced to the level of the tariff of that member country
which had the lowest tariff rate prior to the existence of the EEC. The final
aim must be to reduce the tariff rate to zero.

We hope very much that the member countries of the EEC, and those applying
for membership, fully realize that they must take into consideration not merely
their own interests, and the interests of those directly associated with them,
but also the interests of other trading partners, particularly of the less-
developed countries. It will not help them in the long run, when they boost
their own economies to the detriment of their less-developed trading partners;
on the contrary, it may well act as a boomerang.

One last remark, about stockpiling. We understand that some countries feel
the necessity of stockpiling for reasons of their own. Thus, there are stocks of
rubber, tin and other commodities produced by less-developed countries held by
the highly-industrialized countries.
Indonesia shares fully the serious concern of Malaya over the disposal of strategic stocks. In recent months this disposal has caused a fall of world prices of important commodities, and even disrupted seriously the normal mechanism of supply and demand. It would be appreciated if the countries concerned would give more consideration to the views of producing countries, in order to ensure that consultations on this subject would be of mutual benefit to all parties.

In conclusion, it is the sincere hope and wish of the Indonesian Government that this meeting of GATT will raise itself to the occasion and show the right spirit of understanding and co-operation needed to bring a fundamental change for the better in world trade conditions.