Item 1: Measures for the Expansion of Trade of Developing Countries
as a Means of Furthering their Economic Development

We meet here at a particularly momentous time in history. The outcome of our discussions will have a directly visible impact on the development of international economic co-operation. Progress or stagnation may well be the two alternatives which will present themselves. Would it be possible to bring about a new equilibrium amongst all those participating in international trade, in particular between the industrialized and the developing countries? Will GATT evolve into an organization able to solve the problems and meet the needs of international trade? My comments will reflect the experience of the Netherlands, a country whose very life is closely linked with the ever-increasing volume of international trade.

Programme of action of the less-developed countries

The reports on items I to VII of the programme of action and the statements of many speakers who have preceded me, including that of Ministers Schaus, spokesman for the Community, show that the GATT Member countries are adopting a constructive attitude towards the elimination of existing barriers to exports from the developing countries.

In response to your desire for concrete comments on each of these seven points I would wish to say this.
Point 1 - Standstill provision

The Government of the Netherlands does not intend to erect any new barriers against the export trade of the less-developed countries in the products identified as of particular interest to such countries. For the duration of the proposed negotiations we can make a formal commitment in this sense.

Point 2 - Elimination of quantitative restrictions

I am glad to be in a position to state that the only quantitative restriction which the Netherlands imposes in respect of an item included in the list of products studied by Committee III will be eliminated before the target date of 31 December 1965.

Point 3 - Duty-free entry for tropical products

Point 4 - Elimination of tariffs on primary products

Point 5 - Tariffs on exports of semi-processed and processed products from less-developed countries

I wish to express the hope that these three points, which directly affect the common external tariff of the European Economic Community will find a solution acceptable to all, at the latest within the framework of the proposed negotiations.

Point 6 - Progressive reduction of internal fiscal charges and revenue duties

The interpretation which I should logically attach to this proposal is that it concerns specific consumption taxes. In other words, it seems to me that this proposal does not affect general consumption taxes on practically all merchandise, whether produced in the country itself or imported from third countries.

I realize that for some countries the elimination of special consumption taxes could give rise to budgetary or other difficulties.

I note with some satisfaction that the Netherlands has no special consumption taxes in respect of any of the products examined by the Special Group on Trade in Tropical Products. In any case, such taxes are not included in the revenue system of the Netherlands.

Point 7 - Reporting procedures

We are in full agreement with this proposal which has already been accepted by Committee III.
Point 8 of the action programme, and the question of other action under GATT

The general principles listed under point 8 are in conformity with the general views of my Government. The study of the preferences suggested in paragraph 9(b) should no doubt be carried out.

I should like, if I may, to present a few additional remarks: 1. Those who participate in GATT work are becoming aware, and rightly so, of the close relationship existing between international trade and financial aid to the developing countries. This is reflected in the proposal which has been made by the Executive Secretary and accepted by Committee III to orientate GATT in the direction of closer co-operation with the International Bank for Reconstruction and Development and the Organisation for Economic Co-operation and Development. It seems to me that methodical studies on the situation of individual less-developed countries, including an analysis of their export potential, could be particularly useful.

2. Marketing techniques

I should like to express my sympathy for the proposal made by the Brazilian Government in Committee III with a view to the establishment of a trade information centre. A well organized centre of this kind could carry out two tasks: trade information and market analysis. In this way, studies of the export potential of certain countries, which I have just mentioned, could be facilitated.

Towards a stronger GATT

What I have just said shows that GATT itself is in full evolution. The growing number of GATT Member countries and the expansion of its activities call for a stronger institutional framework. A strengthening of GATT is warranted in order to adjust it to the commercial needs of the less-developed countries, one might even say of the whole world today. Such a revision might also take into consideration relations between developed countries and less-developed countries, and even between private-trading countries and State-trading countries.

In this way, almost all the countries participating in world trade might very well come together under one roof, which would be GATT.