STATEMENT MADE BY H.E. MR. LOEKMAN HAKIM,
AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY TO THE
FEDERAL REPUBLIC OF GERMANY, REPRESENTING THE
MINISTER FOR TRADE, INDONESIA
ON 16 MAY 1963

My Government regrets that they are not able to keep their intention to
delegate our Minister of Trade, Dr. Soeharto to this meeting as head of our
delegation. His absence here is due to urgent duties which require his presence
at home at this time.

My Government regrets this the more so, since we attach much importance to
this ministerial meeting. It was said at the twentieth session of GATT in 1962
that GATT had arrived at the cross-roads. What was true in 1962 is still as
ture in 1963.

Before making some more specific remarks on the points of our agenda
I deem it necessary to bring forward some more general observations.

A number of intricate problems are facing us - problems of the highest
importance for expansion of trade in general and to the lacking economies of
the less-developed countries in particular.
Will this ministerial meeting leave us once more at a loose end, or will GATT prove itself the right forum to make a real, concrete and substantial contribution to the solution of our problems?

Fortunately, between 1961 and now a large amount of spade-work has been done. We have before us the reports of Committee III, of the Special Group on Tropical Products and the extensive study of the Sub-Group. We have to thank the secretariat for the great assistance they have given us in preparing these useful documents. I should like to stress that it was a group of less-developed countries, among them Indonesia, which brought forward a programme of action in order to accelerate the slow pace of progress. This important document has been examined by Committee III and is now before this meeting.

As the saying goes, "The proof is in the eating." Will this Programme of Action remain a mere programme, or will this meeting take the historic decision to take real action for the implementation of the Programme?

Indonesia, together with other less-developed countries in Asia, Africa and Latin America, has shown much patience. I am grateful that you, Mr. Chairman, also mentioned this point. We appreciated that much thought and study had to be given to the various aspects of the Programme. But now, all this preparatory work has been done and so we hope and expect that action will follow.

It is, of course, right to point out that some progress has been made, that an International Coffee Agreement has been concluded, and that an International Cocoa Agreement is in the making.

What is still lacking, however, is the general conviction that a wider field has to be compassed, that all barriers facing the less-developed countries in their trade with the industrialized countries must be removed.

When perusing the report of Committee III we find much understanding by the industrialized countries for our viewpoint. Unfortunately, however, in nearly every paragraph we also find a "but" and "if practicable" or other forms of reservations.

Our delegation is of the opinion that it is the urgent task of this ministerial meeting to dispense with all these reservations and to arrive at a clear-cut decision that the Programme of Action is acceptable as a bare minimum that could be done now in order to get the economies of less-developed countries moving in the right direction. In this context I think it is expedient to keep in mind the declaration made at the Cairo Conference last year.

I am now coming to some specific points of the Programme of Action.
Under the heading A, paragraph j, the Ministers are invited to examine - with a view to reaching decisions and to facilitating further action - the standstill provision, the elimination of quantitative restrictions, and the elimination of tariffs on primary products and the reporting procedures.

We noted with satisfaction that progress on all these points has been made during previous discussions. Our hope and expectation is that the reservations made on these points will disappear during this meeting. Less hopeful sounds the preliminary conclusion on point (VI), the progressive reduction of internal fiscal charges and revenue duties. Here, in view of the lack of agreement on this question, the Ministers should be asked merely to give this problem special consideration.

In this respect, I should say we understand acceptance of our proposal will give them major difficulties. On the other hand, I am quite certain that the loss of revenue caused by the acceptance of the proposal, will be more than compensated in the long run by expanding trade with the less-developed countries. Our prosperity will be their prosperity. We, therefore, urge that the outcome of our discussions will be considerably more than just special consideration. Similarly, we hope that the four items mentioned in sub-paragraphs (a), (b), (c) and (d) of paragraph 4 on page 4 will not only be considered by the Ministers, but also that the road to further action will be opened.

Of great importance is point (III) of the Programme of Action, the Nigerian proposal on the duty-free entry of tropical products, and, rightly, a special paragraph under heading B has been devoted to this problem.

Here, we have a number of general recommendations endorsed by all representatives other than those of the EEC and the States associated with the Community, followed by special recommendations on individual products.

On this I would say to our friends who belong to special groupings: we understand that it is not easy for you to forego the preferential treatment granted to you. If, however, you would be prepared to be put on a par with us, the third countries not belonging to any grouping, I am certain that ways and means will be found to compensate you for your sacrifice, to the benefit of us all.

On cocoa we find a statement of the Community and the associated States that the basic question is the price problem. That may be so, not only with regard to cocoa but to all tropical products. However, we have to start somewhere and that "somewhere" is the duty-free entry for all tropical products, together with the progressive reduction of internal fiscal charges, and revenue duties.
Furthermore, some important suggestions are made by Committee III under point D, "Other Action".

The first is that the work of the Committee should be extended, in collaboration with other interested agencies, particularly the lending agencies.

On this I should like to say that this suggestion deserves our full attention. However, I may add that in the framework of this collaboration the lending agencies must take into account that they are dealing with less-developed countries whose financial resources do not have much scope; in other words, that the conditions for lending will be such that they will be in accordance with our means, and this means low interest and easy terms of repayment.

The second suggestion is that the authority of GATT should be extended by the creation of a stronger institutional framework which would more adequately reflect the economies and responsibilities of the Contracting Parties in this field.

For this, the text of the General Agreement will have to be amended.

We hope and expect that appropriate action will be taken in this respect. The appointment of a working party to report to the twenty-first session could be of great help to strengthen our institutional framework.

I think I do not exaggerate when saying that "the eyes of the world" are on this Conference. We all have a great opportunity within our grasps to make some real contribution to the expansion of world trade and, in particular, to set the less-developed countries on the way to progress.

Let us not fall short of the expectations of the two billion people in the less-developed countries who have their eyes upon us. The ever-growing gap between the industrialized countries and the less-developed countries must be bridged.