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

The Uruguayan delegation wishes first to present a consideration which is bound up with the very origin of this meeting and which bears out the declarations made at the last ministerial meeting in November 1961, when there was a reaffirmation of confidence in the General Agreement as the legal framework for trade relations between the Member countries. One of the most important tasks before us here is to restore our fundamental rules to full effectiveness, that is to say, to ensure that they are properly observed by all.

Indeed, it would be difficult for us to maintain our confidence in the General Agreement - in its fundamental structure and significance - if we were not able effectively to protect it against action detrimental to its very nature, even in cases where such action seemed to be covered by rules of exception; for one should never allow that, by way of paradox, recurring resort to such exceptions could transform them into rules, thus nullifying the original intent of the General Agreement. Nevertheless, as the Minister of Industry and Commerce of Brazil has emphasized, we must go still farther.
We must review the structure of the Agreement in accordance with new needs, for it is clear that the practical results which GATT affords with respect to relations between developed countries do not exist to the same extent in the case of the less-developed countries. This revision should be made as a matter of urgency, and in a thorough and effective manner; otherwise we might well wonder to what extent the GATT really responds to the pressing needs of the less-developed countries.

So far as the less-developed countries are concerned, GATT has reached a crucial stage and if we fail to recognize this frankly and to take speedy action we should be relegating the Agreement to a back seat by declining to undertake the great tasks which are today within its purview. This matter is dealt with under point (viii) of the Programme of Action and we consider it necessary that in this regard the Ministers should make recommendations fully consistent with the requirements of GATT as an international organization. It is clear that since the existing provisions of the General Agreement were drawn up, the world has evolved very rapidly. This change directly affects trade relations and the General Agreement must adapt itself to this new situation, to its characteristics and requirements, if we wish to maintain GATT as the principal instrument regulating international trade. For the reasons which I have just indicated, Mr. Chairman, we attach the utmost importance to this point.

Furthermore, so far as Uruguay is concerned, these remarks of a general nature reflect realities which we cannot ignore.

We have striven steadfastly to fulfil the provisions of the General Agreement, and we have reached a point at which - five years after taking cognizance of the Haberler report - we find that we have accumulated an enormous trade deficit while, regrettably, our products are still the subject of the import barriers which the present ministerial meeting is called upon to eliminate.

Our participation in this meeting, therefore, is by no means academic; it derives from the vital interests of my country which stem from a complex of closely interrelated social, economic and cultural factors which have a powerful influence over both Government action and public opinion. As regards the specific matters covered by Item I of our Agenda, the Uruguayan Government considers that the Programme of Action should be adopted as a whole, with the elimination of the reservations made by a minority group of countries, and with special emphasis being laid on the fact that it is inconceivable that the Ministers should continue to consent to reservations which imply flagrant breaches of the General Agreement, as occurs in some cases.

This is why we wish to emphasize the special importance which we attach to the elimination of quantitative restrictions which are sometimes discriminatory and so harmful to the implementation of the General Agreement; and we must mention that in this regard - as in certain others - the recommendations adopted by the Ministers in 1961 have not yielded the results which might, at that time, have been expected.
The Programme of Action envisages positive action in the sector of customs duties. The proposed trade negotiations will not be meaningful unless in the sector of customs duties they devote all due attention to products of importance to the less-developed countries. Although we shall revert to this aspect of the Programme in connexion with Items II and III of our Agenda, we must at this juncture state our position in this regard.

We wish to support point (vi) of the Programme of Action, relating to the reduction of internal charges. Charges of this kind clearly constitute considerable obstacles to the marketing of certain key products. According to the Agenda of this meeting, the Ministers are asked to give special consideration to this problem, and we hope that their recommendations will be positive in this regard.

As regards the duty-free admission of tropical products, we wish to associate ourselves with the recommendations made by the Special Group and we hope that the reservations made by some countries will be withdrawn. We also support the proposals made by the Special Group in regard to specific products: cocoa, coffee, bananas, vegetable oilseeds and oils, tea and tropical timber.

In paragraph 6 of Item I our Agenda mentions the great urgency for the less-developed countries of the adoption of measures additional to those included in the Programme of Action, since the latter is not sufficient to bridge the gap existing between the tremendous and growing needs of the less-developed countries and the earnings which they at present derive from exports. This paragraph is of prime importance and in our opinion it calls for a positive decision by this ministerial meeting. Without prejudice to other solutions, we wish to emphasize the proposals which have been outlined in regard to the granting of preferences to the developing countries. We believe that this possibility should be examined thoroughly and without delay with a view to determining its practical value and to taking the appropriate decisions, on the basis of firm and constructive criteria.

These are the remarks which the Uruguayan Government wishes to present on the matters included in Item I of our Agenda.