SPECIAL SESSION OF THE CONTRACTING PARTIES:
OPENING STATEMENT BY THE CHAIRMAN

At the opening of the Special Session of the Contracting Parties to GATT, on 17 November 1964, the Chairman of the Contracting Parties, Mr. J.H. Warren, Deputy Minister, Department of Trade and Commerce, Canada, made the following statement:

At their meeting in May 1963 the Ministers "recognized the need for an adequate legal and institutional framework to enable the Contracting Parties to discharge their responsibilities in connexion with the work of expanding the trade of less-developed countries" and agreed that a committee of the Contracting Parties should be established to examine all aspects relating to the trade and development of these countries.

The results of the work of the Committee which was established following this ministerial directive - the Committee on the Legal and Institutional Framework of GATT in Relation to Less-Developed Countries - is now before the delegations present at this Special Session. The consideration - and I trust the adoption - of the Chapter on Trade and Development for inclusion in the General Agreement is the Session's primary task.

It is a truism that the trade and economic problems of the developing countries are one of the major international issues of the day. The Contracting Parties to GATT have recognized this for at least a decade and an increasing proportion of their time and effort has been directed towards finding solutions to these problems.

In 1955, at the Review Session, the new provisions of Article XVIII were agreed to permit greater flexibility by the less-developed contracting parties in the use of tariffs and quantitative restrictions in the interests of their developing industries.
In 1958, as delegations will recall, the GATT Programme for Trade Expansion was launched following a meeting of Ministers and within this Programme a special committee, Committee III, was set up to deal solely with the trade and development problem of the less-developed countries. A great deal of work, discussion and negotiation has been undertaken since then and three further meetings of Ministers - in 1959, 1961 and 1963 - have given impetus and the necessary political direction to these activities. At the 1961 meeting, the Ministers adopted the Declaration on the Promotion of the Less-Developed Countries. In 1963, they adopted the Programme of Action and an Action Committee was subsequently established to follow the implementation of the Programme. At the same time the activities of the GATT were extended to cover, inter alia, the study of development plans of individual less-developed countries and the provision of trade information and trade promotion advisory services. Throughout the whole of the period, Committee III continued to make a most valuable contribution. Since last year the Action Committee has also performed a vital function in supervising the implementation of the Action Programme.

In all this work important ideas and concepts have been formulated. While there is obviously some feeling that progress in the removal of barriers to the exports of the less-developed countries has been insufficient or too slow, there have nevertheless been significant results and important documents drawn up, or now being drawn up, by the secretariat in connexion with the work of Committee III and the Action Committee will demonstrate the progress made. I would like to suggest that the Contracting Parties approve the derestriction of these documents which show what the achievements of the Contracting Parties have been in this field.

Particularly important is the Kennedy Round of trade negotiations which has just entered into a new and significant stage with the deposit yesterday by the industrialized countries of their exceptions lists and offer lists, which means the establishment of the basis for the negotiations to proceed in a concrete manner. The procedures established for the negotiations are intended to take due account of the special problems of the less-developed countries. At their meeting in May 1963, the Ministers agreed "that in the trade negotiations every effort shall be made to reduce barriers to exports of the less-developed countries but that the developed countries cannot expect to receive reciprocity from the less-developed countries" and, further, particular mention was made of the interests of the less-developed countries in the Resolution adopted by Ministers on 6 May 1964 when they met formally to open the Kennedy Round. It is hoped and expected that the Kennedy Round will result in significant benefits for the less-developed countries.
Earlier this year the United Nations Conference on Trade and Development was held and the important political and economic discussions which took place there gave impetus to the work of the Contracting Parties in the trade field. The activities of the GATT likewise contributed to the work of the UNCTAD and it is to be hoped that this interaction will continue to be so in the future.

There is no need for me to continue to enumerate the work and activities undertaken by the Contracting Parties in their search for solutions to the trade and economic development problems of the less-developed countries. Delegations are very aware of the work, discussions and negotiations which have been undertaken in the GATT over the years in this context.

It is now up to us to give legal form and expression in our Agreement to the endeavours of the Contracting Parties to facilitate the trade expansion of the less-developed countries and to set our course for the future. A very considerable amount of detailed and careful discussion and negotiation has taken place in connexion with the draft Chapter which is before you. There are still some square brackets in the text. If these can be removed - as I sincerely trust they will be before the end of our discussions - this Special Session will mark a point of real achievement in the work which we have been undertaking in this sector.

One thing which I should particularly mention is the institutional change which is proposed by the Committee on the Legal and Institutional Framework. The Committee recommends that a Committee on Trade and Development should be set up which would administer the work of the Contracting Parties in relation to the Chapter on Trade and Development; you have before you the proposed terms of reference for this new Committee. Inter alia, the Committee would take over the functions hitherto the responsibility of Committee III and the Action Committee and carry on their work within the new agreed framework. During our Session the Chairmen of these two Committees will be presenting what will be their final reports to the Contracting Parties, if the proposal to establish the Committee on Trade and Development is accepted.

I should perhaps mention some of the procedures which it is proposed should be followed, assuming that an agreed text of the draft Chapter can be adopted at the end of this Session. The intention would be to incorporate such an agreed text in a Protocol of amendment for which a text has been prepared by a legal drafting group.

Another matter which has been receiving attention is a suggestion that we should find some means of bringing the new Chapter into effect on a de facto basis pending acceptance of the Protocol by two-thirds of the contracting parties. To achieve this objective it has been suggested that the governments represented at the Session might adopt a Declaration of intention to implement the amendments on a de facto basis as from 1 January 1965.
A draft Final Act and a draft Declaration for the purposes I have mentioned have been prepared and will be placed before the Session for consideration.

We also have on our agenda the important and delicate question of the granting of preferences by developed to less-developed countries and by less-developed countries among themselves. Much thought and labour has been devoted to this complicated but important problem over the past months. We have before us a report which clearly reflects the views of delegations on this subject. While it has not proved possible to obtain a mutually satisfactory solution for those less-developed countries which attach importance to a positive outcome to this work, it has been possible for the Council to recommend constructive working methods through which further consideration can be given to this subject.

This afternoon's meeting will be brief to give the Conciliation Group more time to move forward in the urgent task of reaching agreement on the relatively small number of issues still outstanding in the draft Chapter. I am hopeful that, given the importance of what is at stake and the determination of all concerned to succeed, these remaining problems can and will be overcome.

END