The Dominican delegation, representing a country which, in spite of its small size, has, by the very nature of its economy, a tremendous stake in world trade, welcomes this opportunity to co-operate fully with other nations at this important session in their great undertaking to attain the common objective: a steadily expanding world economy.

With all the other nations around this table, we share the responsibility to make the General Agreement on Tariffs and Trade a stronger and more forceful instrument, so that we can cope more efficiently with the still difficult and pressing problems of international trade, which are confronting all of us.

Much remains to be done until GATT can serve fully the purposes for which it was founded seven years ago, namely, to create an atmosphere of economic security for all the trading nations of the world, large and small ones alike. As the first attempt ever made in this direction, we consider the General Agreement, in spite of all its shortcomings, a valuable step in the right direction.

With regard to the necessary reassessment and reappraisal of GATT, we have, of course, our own views. They reflect the opinion of a country possessing an economy based on a complete division of labour. We in the Dominican Republic live almost exclusively from a two-way world trade. For the lack of alternate possibilities, we produce in considerable quantities for world consumption a few primary agricultural commodities which we exchange on equal terms against manufactured goods imported from all over the world. Quantitative restrictions on imports or problems of convertibility are unknown to our country, which is free of external and internal debts. Thanks to the continuous efforts of a dynamic government, we enjoy balanced budgets and a stable currency at par with the dollar.

In the light of these facts, it is natural that our country is fully devoted to the basic principles of GATT of non-discrimination and free competition in world trade. But it is only too evident that our country, with its export economy, is affected perhaps more than others by the imperfections and shortcomings of GATT, which did not succeed so far with the means at its disposal to reduce the incidence of discrimination on foreign trade.

To ensure the free expansion of mutually advantageous trade on equal terms, in which a country like the Dominican Republic is vitally interested, it is our considered opinion that the stipulations of the General Agreement on Tariffs and Trade dealing with the application of the rule of non-discrimination must be thoroughly revised. If economic growth in both the industrialized and the less developed areas of the free world is not to be hampered, we strongly believe that both groups will have to make the most of the potentialities which exist in international trade, based on the principle of equality of opportunities.
Therefore, the Contracting Parties should make vigorous efforts not only to strengthen the provisions of GATT which already call for a strict adherence to the unconditional most-favoured-nation doctrine and for the gradual elimination of preferential tariffs, but should take active steps which will impede the creation or maintenance of new preferential agreements in whatever disguise they may appear.

The Dominican Republic, like the rest of the undeveloped countries, joins the industrialized areas of the world in their quest for liberalization of international trade. We feel, however, that these efforts should not be restricted to manufactured products, but should include primary agricultural commodities.

In this context, it seems to us very important that the Contracting Parties try to remove or at least to relieve an inherent injustice in the present structure of GATT. We refer of course to the stipulation in GATT which obliges all the contracting parties not troubled by balance-of-payments problems to admit foreign industrial merchandise without discrimination, but denies to the same contracting parties the free access of their own agricultural products to the import markets of industrialized countries. This is, in a nutshell, what the famous agricultural exception to the general rule of non-discrimination amounts to, at least from the point of view of the underdeveloped countries, which are primarily exporters of agricultural products.

It would be difficult to sustain that the obligations assumed by the underdeveloped countries under these stipulations of GATT are not disproportionately onerous, and are not bound to interfere with their economic development.

The narrower a nation's economic basis - the more specialized its resources - the more dependent it is on unhindered access to the principal markets of the world for improving its living standards. Restricting the possibilities of these nations to sell their limited types of goods produced with their specialized resources, is to shrink their ability to make the fullest use of those resources. Exports of agricultural commodities play a strategical role in underdeveloped countries in determining national income, rate of savings and of capital formation, monetary stability, as well as the rate of progress of development programmes. Therefore, it seems to us that, basically speaking, the rules of GATT admitting the imposition by industrialized economies of quantitative restrictions on primary agricultural products are in open conflict with their aims to contribute to the increase of living standards in the underprivileged areas.

Providing a wide range of loans, grants, training facilities and technical assistance for underdeveloped countries by the leading nations of the world went far to improve their situation. But there is no substitute for a two-way trade. The underdeveloped countries need "aid for trade" and not "aid instead of trade". While the leading nations are urging others, in the interest of an expanding multilateral trade of mutual benefit to all participants, to abandon practices of discrimination against their industrial export goods and their exportable farm products, it seems to us only equitable that the primary producers insist on reciprocity. Hence, ways should be found to protect the interest of underdeveloped countries in the non-discriminatory access of their commodities to the principal natural markets in industrialized countries.
It is pondered opinion of our delegation that this goal can be achieved, if the review of the provisions dealing with quantitative restrictions is made in the light of the overall objectives of the General Agreement directed at international co-operation and with the will to expand multilateral trade, even in agricultural products.

Naturally we are no utopians, and we have to deal with these problems in a realistic and practical manner. We fully realize that domestic agricultural price-support programmes in some important countries are here to stay, and we are the lest not to admit that these programmes themselves cannot be subjected to any rules of GATT, being a matter of internal agricultural policy. But we firmly believe that a formula could be found reconciling the protection of the domestic agricultural production subject to price-support programmes, with the legitimate interests of all the primary producing countries which wish to receive without discrimination of any sort a fair share in those markets.

Quantitative restrictions on imports of agricultural products have an actual tendency to perpetuate themselves by establishing vested interests. Provisions should, therefore, be inserted in GATT that they are not to be maintained any longer than the special circumstances under which they have been created continue to exist. Moreover, we are advocating the introduction of the OEC system which provides a periodic review by the Contracting Parties of the quantitative restrictions, exploring the possibilities of gradually relaxing or even eliminating said restrictions. This seems especially appropriate in those cases in which the market subject to quantitative restrictions represents an essential part of total world demand of the specific agricultural products.

It should be evident that a fair and equitable administration of the permitted quantitative restrictions on basic agricultural products is a matter of vital concern to the world exporters of these products. The provisions of GATT, therefore, should be tightened up in such a way as to assure that not a disproportionate burden of agricultural adjustment in a specific country is thrown on the rest of the world. According to our opinion, not only the imports should not be reduced relatively to the domestic production over an average of at least five years, but the import quotas should not be established below the level that would bring in as high a quantity of imports as would enter in the absence of price-supports and import controls. Here again we consider that the allocation of total quotas should be made subject to a periodic review by the Contracting Parties.

In order to protect the interests of the suppliers of primary commodities to a principal market rules by permitted quantitative restrictions, the distribution of individual quotas requires, according to our opinion, a thorough revision.

Equal quotas for all countries are obviously inequitable. Allocation according to a previous period or base year is equally unsatisfactory, since the base year is soon out of date, industrial conditions having changed, or the incidence of tariff rates having experienced an alteration which affects the competitive position between the various suppliers. Under no circumstances can previous years be taken into consideration if import restrictions had been already in force during this
period. The revised GATT should contain stipulations that the import quotas for primary commodities in principal markets taking a major part of the world market offerings, should reflect the relative position of each country in the total world import market of such commodity.

Still other quantitative restrictions permitted under GATT require a thorough revision and overhauling, namely, those established for balance-of-payments reasons. The progress already made towards liberalization of international payments, in which the generous contribution of the United States to the reconstruction of Europe has played such an important part, should be incentive enough to the Contracting Parties to make a new vigorous effort to adapt the present rules to the changed conditions, with a view to strengthen the forces of non-discriminatory international trade. In the consultations under Article XII with the International Monetary Fund too much attention has been focused on the monetary aspects of discrimination in international trade in case of a country's balance-of-payments difficulties. There can be no doubt that in practice the application of quantitative restrictions for balance-of-payments reasons did not consider to the necessary extent the effect which those restrictions had on the commercial interests of the other partners in international trade.

A proper division of labour between the Contracting Parties and the International Monetary Fund seems to be in order. The guiding principle should be, as the secretariat has suggested, that the International Monetary Fund should deal with the overall financial questions involved, but that the question of actual discrimination in trade should be left to the Contracting Parties with the aim to reduce to the absolute minimum the impact of those discriminatory restrictions and to ensure that balance-of-payments difficulties will not be abused for granting additional protection to agricultural or industrial producers.

There is another aspect of permitted quantitative restrictions which until now has been overlooked by GATT. We have in mind their effect on the bargaining power in tariff negotiations. Under the existing rules for multilateral tariff negotiations, a primary producing country was seriously curtailed in its bargaining power in tariff negotiations with industrialized countries if they apply quantitative restrictions against the main export items of such a country. In those negotiations, the industrialized powers made full use of their right to insist on concessions on a strictly reciprocal basis for their manufactured goods and exportable farm products representing only a small percentage of their gross national product. They were, however, not forced to negotiate, together with tariffs, concessions on their quantitative restrictions, even when they affected deeply the few export products of such under-developed country. In the past the industrialized countries applying quantitative restrictions were sometimes willing to grant tariff concessions for the same products which they subjected to quantitative restrictions. Those concessions however, did not have any practical value for the underdeveloped countries, as they did not contribute to any expansion of trade. The attainment of an expanded and well-balanced international trade in the interest of all of us will require, according to the opinion of our delegation, the co-operation of the Contracting Parties in re-establishing the equilibrium of bargaining power in tariff negotiations between industrialised countries applying quantitative restrictions and the primary producing countries affected by those measures.
It goes without saying that a country with an export economy like the Dominican Republic is deeply interested in the question of export subsidies. The bad experience which the world at large had in this field with the effects of subsidies on the distortion of competitive strength in international commodity trade, and the deformation of normal trade patterns, leads us to the belief that the Contracting Parties should take a strong stand against the application of export subsidies in international trade.

It is of equal importance that the provisions for the orderly liquidation of surplus stocks of commodities, which were contained in the Havana Charter, should be included in the revised General Agreement, to avoid undue disturbances in the world market.

Considering the vital interest which the underdeveloped countries have in maintaining their purchasing power, an interest which should be equally shared by the industrialized powers, being the main suppliers of these countries, the revised General Agreement should, according to the opinion of my delegation, adopt the provisions of the Havana Charter dealing with International Commodity Agreements. Their essential objective has to be, of course, not the introduction of restrictions to help remove burdensome surpluses, but the stabilization of the world commodity markets in the face of the temporary ups and downs of demand and supply. We agree fully with the report prepared by five experts of the United Nations under the title "Measures for International Economic Stability" which states:

"We know of no practicable method of reducing the international impact of short-run fluctuations in the prices and terms of trade of primary producers, other than a direct and detailed attack on the problem through the negotiation of international commodity agreements."

It is natural that a country like the Dominican Republic, which is executing a long-range plan for balanced economic development, associates itself with the project to modify the specific regulations of GATT governing the actions of underdeveloped countries in the field of commercial policy. We believe that these countries have the right to apply the same props for developing their industrial capacity, which in former periods the industrialized countries used for their own development, mind you, in the absence of quantitative restrictions of any kind. For this reason we see in the new Article XVIII as suggested by the secretariat a point of departure for a constructive discussion of these problems. We advocate, however, that the actions provided for in this Article in the case of an existing disequilibrium in the balance-of-payments position, should be permitted as well, if an economy of this type is threatened with a serious deterioration in its monetary reserves.

The foregoing observations underline the nature and magnitude of some important problems that lie ahead before the ultimate goal of an expanding multilateral trade - in a fundamental sense - can be said to have been solved. Listening to the speeches of the Ministers in the last three days gave us much hope, however. We noted with great satisfaction that in this meeting of the minds, the zone of consent is much greater than the zone of dissent. All we need
to succeed in the task before us is courage and vision to attack petrified problems which for such a long time have impeded the way to expand real multilateral trade. We are sure we will prove to a sceptical world that it is not true that the era of liberalization of world trade is always to begin tomorrow, and tomorrow never comes. Of course, we realize that the One World of postwar dreams, the One World without discrimination, quotas or exchange controls cannot be attained within measurable time. We still believe, however, that we can build up a world in which the free nations can live together in a spirit of international co-operation, a co-operation which will make it possible to give the small and the big nations of the world a square deal in their efforts to expand on a mutually advantageous basis their external trade. If we cannot accomplish now in the favourable climate of high employment and excellent general business conditions the liberalization of trade on the basis of equality of opportunities and equality of sacrifices, we may never be able to do it in our time. Hence, we are sure that this Review Session of the General Agreement on Tariffs and Trade will produce positive results, and nobody will be able, at its end, to use this old Chinese saying: "There was a great deal of noise on the staircase, but no one came down."