Mr. Chairman, I would like to associate myself with the remarks made by my distinguished colleagues from countries which, like my own, are generally known as underdeveloped countries. It is fashionable nowadays to speak of these countries as a group, as distinct from the more developed countries, on account of the peculiarity of their economic problems. In my opinion, Mr. Chairman, in no other case is this classification more justifiable than in their relationship to GATT. Their special requirements at this stage when they are actively engaged in economic development are such that inadequate provisions for such needs in the revised agreement, which it is the task of this meeting to produce, would be prejudicial to the objective of economic development of underdeveloped countries - an objective which the more developed countries have sincerely professed, and towards the realisation of which they are making a genuine contribution.

Reduction of tariffs and the elimination of quantitative restrictions have been reiterated by the distinguished representatives of the major trading countries as the two primary objectives of GATT. While not for a moment doubting the importance of these two measures amongst others for the expansion of world trade, leading towards fuller employment and higher standards of living for all people, I must say, Mr. Chairman, that the underdeveloped countries are nevertheless placed in a less fortunate position than the more developed countries in pursuing these objectives.

Customs duties form an important, if not the most important, source of revenue for most governments of these underdeveloped countries. While not approaching anywhere the direct taxes, especially the taxes on income, in their progressive nature, they are nevertheless not entirely without an element of progressivity in that imported goods are consumed in these countries by people within the middle and higher income brackets.

Moreover, a certain amount of tariff protection is necessary for the establishment of new domestic industries for the development of existing domestic industries which are involved in the process of diversifying the economies of these countries normally dependent upon the export of a few primary commodities. We are, of course, fully aware of the case of infant industries which never grow up, and it is therefore our intention to undertake industrialization carefully and gradually.
With regard to the quantitative restrictions, we are fully agreed that they should be more or less confined to balance of payments reasons. But I am afraid, Mr. Chairman, that the balance of payments situation of these countries is going to be, if not already so, in a difficult position, in view of the precarious nature of their export earnings. Most of the underdeveloped countries have in the post-war years experienced a shortage of foreign exchange resources, some general and some specific. The need for capital goods for the execution of development programmes will further limit the exchange resources available for consumer imports. In this situation of foreign exchange shortage, tariffs are no substitute for quantitative restrictions.

My Delegation appreciates the various objections which the more developed countries may have against the use of quantitative restrictions for protective purposes, but we feel that, at least in the initial stages of development of any new industry, reasonable quantitative restrictions are essential to the effective promotion of that infant industry as a supplement to tariff. We would accordingly seek the indulgence of the Contracting Parties for a consideration of the proposition that underdeveloped countries like Burma may resort to quantitative restrictions whenever necessary for protecting their infant industries, with the understanding that they would be progressively relaxed as and when the economic situation of each such country improves.

Regarding Governmental Assistance to economic developments and reconstructions, my Delegation feels that the new draft of Article XVIII as submitted by the GATT Secretariat could form the basis of discussion and be acceptable to my Government with its scope sufficiently widened to cover new as well as existing industries in the interest of the underdeveloped countries.

Perhaps the Contracting Parties are aware that Burma has, since last year, adopted a single unified system of tariff with all the implications of the Most-favoured Nation Treatment clause. There will, therefore, be no difficulty on the part of my Delegation to support any move which will bring the world pattern of tariff into a single unified system.

At the moment Burma does not require any change or adjustment of her bound rate of duties and will not be opposed to any move for the extension of the life of GATT schedules until they can be replaced by a new set of schedules, if any, under the revised GATT. My Delegation would, however, in the interest of other underdeveloped countries, extend its support to the making of these schedules as flexible as possible, so as to enable them to adjust their tariffs in the light of their changing conditions.

My Government is undoubtedly perturbed by the move of some of the more advanced countries regarding the disposal of certain surplus farm produce including wheat, free or at a price much lower than the prevailing world price. This will surely disrupt the world market in foodstuffs, and may adversely affect the rice trade on which the economy of Burma mainly depends. Trade and not aid should be the basis on which future relations of the countries are founded.
My Delegation would accordingly appeal to the countries concerned to refrain from resorting to, or encouraging such unfair practices in trade. My Delegation also hopes that there will be definite provisions in the revised GATT prohibiting contracting parties from resorting to such unfair practices in world trade.