As it is your intention not to hold a separate debate on the Report produced by the four experts, but to discuss the trends in the international trade at this stage of our discussion, I should like to make some remarks on this subject. As many speakers preceded me with clear and more or less exhaustive statements, I should like to confine myself to some observations of a practical character.

First of all, I want to join all those speakers who praised the Report and I think that GATT should be congratulated with such an outstanding document.

A most striking feature of the Report is the widely different nature of the various proposals. They extend from full-employment policies to tariff matters and from international financing to national agricultural policies. But all of them are connected with the idea that an expansion of trade between the under-developed areas and industrial countries may lead to an adequate rise of income in the former areas. This now is a problem the solution of which depends on two factors.

The first factor is the advantage which both the under-developed areas and the industrial countries may expect in the long run from the mutually granted concessions, if they could agree to the various proposals of the report.

The writers of the Report are firmly convinced that there will be an advantage. It is felt intuitively that this proposition is true. It is only to be regretted that a quantitative economic approach is difficult; for such an approach would be an instrument in the hands of the governments to convince more easily the various "domestic groups" of the need to grant the concessions asked for. And this would create the true disposition to bring the problems connected with the under-developed areas and international trade somewhat nearer to their solution, which is the second factor.

Indeed, Mr. Chairman, the problems arising from the instability of commodity prices is of great importance in this respect. In particular the price fluctuations on the shorter term do create harmful effects on the economic position of such countries. To cope with this problem we agree with Sir David Eccles and Mr. Dillon that a product-by-product approach is
very well suited. We think that this approach, already followed for many years, must be continued and perhaps accelerated for those products which show such fluctuations. But, Mr. Chairman, this method will not lead - at least not in our opinion - to a solution of the wider problem. As noticed in the Haberler Report and already mentioned in the secretariat document International Trade 1957 the gap between trade expansion of the under-developed countries on the one hand and the industrial countries on the other is widening. We think that this problem is of even more importance than the levelling off of short-term price fluctuations. But it will be very difficult to find a way out of this problem. I even doubt whether this will be a task for GATT alone to tackle because - as the Report already shows - of the wide variety of aspects involved. Nevertheless we think that this problem must be tackled and GATT has at this moment the invaluable possibility to take initiatives in this field. This could be done in close co-operation with those international and governmental organizations already active in this field.

The last point I should like to raise, Mr. Chairman, deals with agricultural protectionism. We agree with the basic idea, put forward by Mr. Mansholt the other day, that this protectionism constitutes a symptom of a deeper problem, namely the disparity in efficiency of industry and important parts of agriculture.

In other words, an improvement in the structure of agriculture in many countries is the basic problem. I sincerely doubt whether it will be feasible for GATT to try to solve this problem; and I wonder if any international organization nowadays is in the position to solve it. But what we can do, Mr. Chairman, is to try to mitigate the consequences to international trade of this lack of structural balance in agriculture. We could for example try to establish a code of good behaviour with regard to this trade. This would go somewhat further than an attempt to bring down the various barriers to trade. In our opinion such an approach is necessary because a reduction of trade barriers is only curing the symptoms but not getting to the heart of the matter.

This brings me to the problem how we must try to bring about such a code of good behaviour. With your permission, Mr. Chairman, I should like to propose the following procedure which can perhaps lead to some favourable results. First of all we need more detailed material to base our discussions on. This material can best be produced by independent institutions. The facts necessary for our discussions could be produced for example along the lines of a questionnaire drawn up on secretariat level. The best solution would be to try to keep the high level of the Haberler Report and gather the best knowledge on the matter available. Therefore we think that such a
questionnaire must be drawn up by a mixed GATT-FAO secretariat, as suggested by the authors of the Report. The next stage would be that the basic material thus assembled must be elaborated in order to make it suitable for our future discussions. We think that there we must try to continue the happy experiences we attained from the four independent experts which produced the Report. So the establishment of a final document could preferably be done by one or more independent highly qualified experts. When this is done, Mr. Chairman, the field is ready for international negotiation on the code of good behaviour. Such a negotiation could take place at our next Session, although we think that the matter is important enough to call for a special session, say in the spring of 1960.

It is perhaps a rather ambitious programme which I outlined but perhaps this is the way to arrive at at least some practical results favourable for all of us.

I thank you, Mr. Chairman.