It is both an official and a personal pleasure for me to speak at this session of the GATT on behalf of the United Kingdom. I call it an official pleasure because the continuing interest of successive United Kingdom Governments in the work of the GATT is well known. It is a privilege for me to have this opportunity of once again emphasising the importance which we attach to both the principles and the work of GATT, and to do this at a time when there has been an important up-turn in world economic affairs.

As for my personal pleasure, as our hospitable hosts are aware, I spent four and a half years in Japan some very considerable time ago and there is a special pleasure for anyone to come back again to the country in which, among other things, he was married.

Like previous speakers, I would like to express the gratitude of all of us for the arrangements which have been made both by the host Government and by the GATT staff.

As I am referring to our Japanese hosts, perhaps it would be appropriate if, before I get down to more general remarks, I said something about the economic relations between Japan and the United Kingdom. I am particularly happy to do this because we had this summer a very successful visit to my country from no less a person than Mr. Kishi, the Prime Minister of Japan. I would like to take this opportunity of saying how much we enjoyed that visit, and how helpful we have felt it to be to the relationship between our two countries.

As all delegations are aware, the economic and industrial development of Japan has been one of the economic wonders of the last 100 years. Whatever ups and downs the relationships between Japan and other countries may have sustained, nothing could disturb the respect which peoples all over the world have learned to feel for the industry and ingenuity with which the Japanese people have taken to modern industrial life.

But, like all wonders, this very rapid economic growth of Japan has its difficult consequences, and my Government are appreciative of the fact that the Japanese Government, while making their case in the matter of trade between the two countries, at the same time recognize the difficulties of others. We, for our part, have tried over recent years, in a spirit of genuine cooperation, to make steady progress towards an improvement in our mutual trade. Considerable advance has, happily, been possible. This progress has been achieved outside the provisions of the GATT. But we do recognize the importance and urgency which the Japanese Government attach to the question of applying
these provisions between our two countries and, as was announced at the end of Mr. Kishi's talks with Mr. Macmillan, it was agreed that this question should be studied further in conjunction with the problems remaining to be solved in connexion with the proposed Anglo-Japanese Commercial Treaty. These studies are now in train, and we hope shortly to have further discussions with the Japanese Government.

Again, before getting on to general policy considerations, may I join other speakers in expressing pleasure that the GATT has been able to agree on arrangements under which the Governments of Israel and Yugoslavia are now in a position to participate in the work of the CONTRACTING PARTIES.

We are also glad that a working party has been able to make substantially agreed proposals for the association of Poland with the CONTRACTING PARTIES.

There is just one point on which I would like to ask the indulgence of the CONTRACTING PARTIES. I am very pleased that we have with us here in the United Kingdom Delegation Mr. Dipcharima, the Federal Minister of Commerce and Industry in Nigeria. Within the next year Nigeria is due to achieve independence. In these circumstances I would like to ask the permission of the meeting, Mr. Chairman, that he should be permitted to address us at the conclusion of my own speech.

When the then President of the Board of Trade, Sir David Eccles, addressed the CONTRACTING PARTIES last autumn, world trade was just beginning to recover from recession. Since then we have seen that this movement towards recovery was a genuine one. Most nations have been able to make progress in building up their economic and financial strength. A large number of countries have made their currencies externally convertible, and world trade is running at record levels. Moreover, it is not only the industrial countries who have benefited from this revival, since in respect also of many primary commodities, both the prices and the volume of trade have been moving up from the depressed levels of eighteen months ago.

What this change in the outlook means in GATT terms is that the CONTRACTING PARTIES are at last beginning to see the emergence of the conditions of trade which the drafters of the General Agreement foresaw. Between them and what they looked forward to we have had the post-war period during which the expansion of international trade on a multilateral basis was inevitably hampered by balance-of-payments difficulties.

It may have seemed a long time but we came through. And in justice let it be said that our coming through the period of dollar shortage and balance-of-payments restrictions owes a very great deal to the policies pursued during that period by the Government of the United States. American aid in its many forms has created conditions for the expansion of economic growth in many countries, and the spirit of liberalism which animated the commercial policies of successive United States Administrations has made an important contribution to the expansion of trade.

The decision already taken to hold a further Tariff Conference next year, again resulting largely from the initiative of the United States, will, MORE
we hope, achieve further useful progress in the successive process of tariff reduction on a multilateral basis which has been an important feature of the work of the CONTRACTING PARTIES. The process may not be a dramatic one, but it is one which over the years creates the conditions for expanding trade. It is clearly important that this momentum should be maintained.

The distinguished representative from the United States has referred, both generally and in the context of the United States balance of payments, to the need for other countries now to remove their remaining discrimination. And the representative of the International Monetary Fund has made an important statement setting out the Fund's policy on the changed circumstances created by the advent of convertibility. My Government agrees. United Kingdom policy has been to provide as rapidly as possible for the removal of restrictions on dollar imports. We made an important move in this direction in May, and I can hold out very good hopes of further substantial progress at an early date.

Discrimination against the dollar is not the only form of discrimination which has hampered trade; and, moreover, all restrictions, whether discriminatory or not, hamper the freer movement of goods which is the aim of the CONTRACTING PARTIES. We welcome the progress made by many countries in the direction of liberalisation. We are glad to note the steps which have been taken - with the help of the International Monetary Fund - towards currency stabilisation and the elimination of discriminatory exchange practices. In some countries measures of reform have been accompanied by action which raises problems for the CONTRACTING PARTIES; and it would not be in accord with the objectives of the Agreement if these welcome measures were to leave us with a perpetual legacy of unduly high tariff or similar barriers. Now that progress towards the objectives of the Agreement has gained fresh momentum, it is the duty of all of us to keep up the pace and to this each of us can undoubtedly contribute something.

This affirmation of policy leads on naturally to the question of the relationship between regional trade arrangements and the world-wide objectives of the GATT, and it is natural that this should have been placed on our agenda. Just as things are moving on the general liberalization front, so - under the Treaty of Rome, the Stockholm negotiations and the arrangements for Latin American economic integration - there are important moves on the regional front. The important thing about these developments is that all regional arrangements should be conceived in a liberal spirit with the object of combining economic expansion within each region with growing trade between that region and the rest of the world. This double progress, provided that the progress on both fronts is genuine, can be of great value in promoting the objectives of the GATT.

Mr. Kling has explained the present stage reached on EFTA. My delegation endorses what he has said. The United Kingdom proceeds - and indeed must proceed - from the premise that we are a nation essentially dependent on international trade. Therefore any grouping into which we enter must be one of an outward-looking spirit and nature, and we can assure the CONTRACTING PARTIES that this is the spirit of the EFTA. We look forward to the time
when the arrangements which we shall have arrived at in Stockholm in a spirit of co-operation amounting, if I may use the word, to enthusiasm, will lead on to the establishment of appropriate arrangements for all free Europe; arrangements which we are fully conscious must fit into the world-wide pattern of the GATT. That is why we look for the good will of the CONTRACTING PARTIES towards us in this important enterprise.

Reverting to general economic questions, I would judge one of the most important of the problems facing GATT at present to be the relationship between industrial and less-developed countries. It is indeed a problem for all international economic organizations. It has recently been to the fore in the Annual Meeting of the International Bank and the International Monetary Fund. But GATT, which bears the primary responsibility for international trade relations, has a special role to play, and the work of the three Committees engaged in studying programmes of trade expansion is the key to progress in this field.

I would only say on behalf of the United Kingdom that this is a subject which has continued to exercise us to an exceptional degree in the last year. There is a great desire to make further progress. One of the pre-requisites for development is that the industrialized countries should continue to expand as rapidly as possible without inflation. The need of the less-developed countries for capital is widely recognized, but they also need trade as well as aid. This underlines the importance of improved access in the more industrialized countries for the exports of the less-developed countries. The contracting parties recognized the importance of this in the establishment of Committee III. Nobody imagines that this is an easy problem; the difficulties are all too obvious. Nonetheless, it is important that we should face it and not pretend that it does not exist. To make progress with easing the barriers to the exports of the less-developed countries is thus a major and pressing task of the CONTRACTING PARTIES in the continuing work of Committee III and in other ways in which the procedures of the Agreement can help.

There is also the important task involving the relations between the agricultural and industrial countries which is performed by Committee II in its consultations with contracting parties on their agricultural policies. This Committee has made a good start with the development of improved new procedures for concerted and continuing efforts to grapple with the problems affecting international trade in agricultural products through widespread recourse to non-tariff measures to which the Haberler Report has called attention. At the next session, when the first round of consultations has been completed, we should, I suggest, review the first year's work and consider how these procedures can best be developed and concentrated on the most important problems in this field.

There is one rather more detailed point in the matter of the interests of the less-developed countries to which I must make allusion. It is a subject with which the CONTRACTING PARTIES are familiar, namely the increasing discrimination that a number of under-developed countries will face in certain markets of the European Economic Community through the provisions of the
Treaty of Rome on the association of their overseas territories with the Community. This is a problem with which I have a certain personal acquaintance, since, when the problem first became apparent, I visited Brussels with some of my colleagues to present this difficulty to our friends of the European Economic Community. They were good enough to undertake to consider the difficulties for certain countries which were involved and I would like again to urge them that they should not consider the demarches which we make on this subject to be just something for the record. There is a real difficulty here which I am sure can only be met with that combination of common sense and political wisdom which contributed so much to the successful conclusion of the Treaty of Rome itself.

What I have said is, I hope, of a nature to show that the favourable international economic climate should not, and indeed cannot, lead us to forget the important problems with which we all have to cope; indeed, as the problems with which we have wrestled for many years at last seem to be subdued, new problems present their challenge to our good sense and our goodwill. This I can say, that the favourable prospects of today should encourage and help us to find ways and means to encounter the challenges of tomorrow. Recent economic events such as the convertibility of European and other currencies, and proposals for regional integration conceived and developed in the spirit of the GATT, will, we believe, foster the growth of world-wide trade and enhance the general prosperity. These events emphasise the importance of the GATT as a forum in which all its members, year by year increasing in numbers, can work together co-operatively and constructively in developing the full use of the resources of the world and promoting the economic advance of all the countries represented here.