I should like to begin by whole-heartedly associating myself with previous speakers in the well-deserved tributes which they have already paid to His Excellency Fernando García-Cldini for the efficient way in which he has conducted the sessions of the GATT since his reappointment to the Chair, and to the GATT secretariat under the competent direction of Mr. Wyndham-White for their untiring efforts and meticulous attention to detail in arranging so successfully the present session away from the home of the GATT. To the Government of Japan, I have reason to be doubly grateful; for in the dual capacity of my delegation as a Trade and Goodwill Mission to Japan, we have for some days prior to this session had more opportunity than all the contracting parties gathered here of availing ourselves of the traditionally unique hospitality of this historic country.

We appreciate very much the contribution made by such kindness to healthy international relations, and we look forward anxiously to the opportunity of reciprocating it. My delegation is also fully with the previous speakers in their expression of sympathy to the victims of the recent local floods. My Government's sympathies have already been formally communicated to the Government of Japan.

I wish now to address myself to the subject of Current Trends in International Trade with particular reference to the effects on our economy of the commercial policies of a number of trading nations. The purpose of this procedure is to make contracting parties aware of our problems and also to give contracting parties some idea of the frame of mind with which we approach a number of items on the agenda on which we shall be called upon to take a stand.

The gradual deterioration in our external balance which started in 1955 was checked in 1958 when the current account showed a surplus of 130 million. Fluctuations in our external balance are mainly due to variations in export earnings because of changes in the value of cocoa exports. This favourable balance of payments experienced in 1958 was the result of an increase in export earnings and at the same time a decline in export expenditures.

There are some who suggest that the drop in our imports was due to a deliberate policy of intensification of our import restrictions. Others, notably the authors of the publication "International Trade 1957-58" suggest that the decline in our imports during 1958 is explained largely by a decline in the earnings of cocoa farmers, which resulted mainly from the smaller volume of the cocoa crop bought by the Ghana Cocoa Marketing Board as a result of lower production at a fixed price of 376 a ton. These views unfortunately are not correct.
If I may explain the underlying causes of the drop in our imports, I should say, Mr. Chairman, that in anticipation of a high cocoa yield as estimated in the 1957 cocoa crop year, importers placed orders for goods which unfortunately proved to be in excess of requirements due to a drop in the actual production figures. The effect of this drop was a reduction in the purchasing power of the farmer. Consequently, overstocks of merchandise held by importers were carried over to the 1958 crop season. Importers, therefore, had to cut back in their programmed imports for 1958 and that accounted for the drop in our imports.

We all revere that with respect to the principal commodities including cocoa, the main problem that the authors of the Haberler Report, "Trends in International Trade", recognize the need for a price stabilization policy. The prices of most commodities reached their low point during the year, but the majority were by the beginning of 1959 still at or near the bottom while some—like coffee and cotton—were still falling. There appeared some signs of price rises during the autumn of 1958; the prices of metals went up slightly, and the prices of agricultural products followed. That rise was not strong, and it levelled off by the end of the year. Commodity prices as a whole therefore finished 1958 no higher than they entered it. The price of our major export commodity—cocoa, fluctuated and at times dramatically in the year under review. The fluctuations seem to have been almost entirely independent of, or only slightly influenced by the general business cycle but we were fortunate enough to have the relatively high average unit price of $8.84 per ton in 1958.

I should like now to draw attention to a point which is more important than the actual prices of commodities, namely, the relation of the price of commodities to the price of manufactured goods. United Nations estimates indicate that the terms of trade between primary products and manufactured goods entering world trade have deteriorated by about 10 per cent since the end of 1955. Most of the commodities after loss of purchasing power in the latter half of 1957 and the first quarter of 1958 held level during the rest of the year. The purchasing power of primary products, therefore, presumably remained at a low level.

This then is the main problem that faces my country and it is with this background that we view the introduction of the Common Market as established by the Rome Treaty. In this respect, at the risk of boring contracting parties, I should like to reiterate the point made at previous sessions of the GATT by my delegation, that Ghana has no quarrel with the principles of the Common Market; we appreciate the right of nations to group together for their economic and social betterment. And while the formation of regional blocs witness the proposed establishment of the EFTA may tend to divide world-trade into hostile camps, it is more likely that, by reducing the number of individual trade barriers, the collection of the many trading countries of the world into larger units would rather contribute to the ultimate federation of world-wide trading interests. Our chief concern therefore is with the repercussions arising from the association of the Overseas Territories of the Six with the Common Market; and in this regard, it cannot be ruled out that this association
will imperil present and future markets of outside exporting countries. In the case of tropical dependent territories it can hardly be maintained that preferential discrimination of duties will create an expansion of trade to any great extent. The result will rather be a diversion of existing trade into new channels. While most contracting parties claim that substantial results have been achieved by the establishment of the General Agreement in the field of expansion of world trade through a lowering of tariffs and a reduction of restrictive measures, we claim that these achievements have only been possible in the industrial sector and do not give any cause for us to congratulate ourselves. The progress which has been achieved in the industrial sphere in the removal of restrictions and other barriers to trade has not been possible in the agricultural sector. This failure, of course, refers to agricultural products which are produced by both the industrial countries and the agricultural countries alike. But this is not one of our problems, since our products which are tropical agricultural products enter freely into international trade. Our problem, however, is the intractable one of the damage which we foresee will occur to our vital cocoa trade as a result of the implementation of the Rome Treaty, and particularly in its association with the Overseas Territories of the Signatories.

When we acceded to the GATT some two years ago, the keynote of our opening statement was therefore intended to bring home to the Rome Treaty Countries the seriousness of this damage, in the hope that they would agree to relinquish their proposal to impose preferential tariffs against the raw products of the Overseas Territories of the non-Six countries. In the case of Ghana, cocoa, our economic life-blood, would ultimately be subject to a preferential tariff of 9 per cent, resulting in the loss of revenue to the tune of some £2 million sterling annually. Since then we have had a series of meetings and consultations with the Six, but each such meeting has only deepened our despair. The Six have insisted on factual proof of damage, in spite of the fact that such proof would obviously be beyond all human and rational ability till after the event; and their attitude has been summed up in the statement made at one of last year's consultations that "we are crossing the bridge before we come to it".

It was gratifying to us, therefore, to hear the statement made here on Tuesday by the Italian delegation that the Six have now set up a committee to examine the possible harmful effects of the Rome Treaty on non-participating countries and their Overseas Territories. My delegation hopes, and in this I am sure that all non-Six countries are with us, that this move is an indication of a genuine change of heart on the part of the Six, and that they will now lend a sympathetic ear to our tale of woe.

On our part, Mr. Chairman, let me remind all contracting parties that we operate a single column tariff, as well as a unitary system of exchange rates. It is the policy of the Ghana Government to achieve full liberalization of trade between Ghana and the rest of the world as far as this may be done without detriment to our balance-of-payments position and our international obligations as a member of the sterling area. To this end the Ghana Government has been progressively relaxing import controls.
imposed on account of balance-of-payments difficulties. At this point it is, I think, my duty to explain to our host country that Ghana in fact accords most-favoured-nation treatment to goods of Japanese origin and we only reserve the right to invoke article XAIV without actually putting it into effect. We feel compelled to maintain this position as a protective measure to allay the fears of our existing and future domestic industries and those of potential investors who emanate largely from overseas. I hope the Japanese Government will understand this position and clearly recognize the fact that we are not harming their trading position. Howbeit, my delegation, in its dual function as a Trade and Goodwill Mission to Japan, is conducting consultations with the Japanese Government on the possible means of improving the general trade and economic relations of our two countries; and I am convinced that as a result of these consultations, the question of the application by Ghana of Article XAIV against Japan will be resolved to our mutual satisfaction, and that it will not be necessary ever to exercise such a right.

To conclude, I shall comment on one more item on the agenda which is rather important. We shall be called upon at this session to consider the status of certain countries in relation to the General Agreement. We, in considering this subject, have always maintained that our attitude in all cases of application for accession should be one of acceptance on condition that the applicant gives an undertaking that its external commercial relations will be conducted in accordance with the General Agreement. We subscribe also to the procedure of examining the foreign trade policies of an applicant in order to find out whether the foreign trade regime of an applicant could permit it to honour its GATT obligations. What we are asking for is that we should all be generous in our approach and should not disregard forms of limited association which can be worked out to suit some trading nations, so long as such an association contributes its quota, however small, towards a freer world trade. In this respect I venture to suggest that the spirit of the GATT makes it incumbent upon contracting parties, in the interpretation of the letter of the law, to adopt this attitude of generosity towards other Member countries. I refer particularly to the case of the less-developed Member countries who are straining every nerve to honour their obligations under great handicaps, in that the other countries more advanced economically and industrially have a start well ahead of them. It is only by a recognition of the handicaps of the less-developed countries and a willingness on the part of their more advanced colleagues to help them to overcome these handicaps that the cardinal objective of the GATT can be achieved: a worldwide system of trade through the progressive lowering and the ultimate abolition of barriers, and a consequent raising of the standard of living of all peoples throughout the world. To this objective, Mr. Chairman, Ghana irrevocably pledges herself.