STATEMENT BY THE REPRESENTATIVE OF THE CENTRAL AFRICAN REPUBLIC ON 15 OCTOBER

First of all, I should like to add my thanks to those already expressed to the Executive Secretary for having provided us with a basis for discussion in document Spec(63)266. I should also like to commend the secretariat for having undertaken, even before the ministerial meeting, certain studies connected with the accession to GATT of certain under-developed countries. This year, my country and many other African States have become contracting parties. In the near future, other less-developed countries may join us and within a very short time the poorer countries will be in the majority, here as elsewhere. This accession which must be encouraged in every way, is only part of the same pattern of things for, as you know, two thirds of the world population still have a standard of living bordering on poverty. It was therefore foreseeable that the arrival of a large number of under-privileged nations would give rise to problems for the CONTRACTING PARTIES on the legal and institutional level. Indeed, in the framework of international trade constituted by the General Agreement, the case of the less-developed countries cannot remain a mere exception. The facilities granted under certain conditions, the waivers granted in a certain form, are well on the way to becoming the general rule.

At our recent ministerial meeting, reference was made to a more powerful infrastructure, an adequate legal and institutional framework, and new responsibilities. In our view, all this implies a change rather than a simple adaptation of the present rules. I must recognize that in the suggestions in the first section of the note before us, the Executive Secretary has tried to take account of the concerns expressed by a majority of Ministers. I am afraid however, that the resolutions proposed might merely result in a more liberal interpretation of the GATT rules, instead of their amendment. The term "sympathetically" used in the note might well, it seems to me, arouse some anxiety among the governments of the less-developed countries. Any adjustments made in this frame of mind might be timid and would very rapidly be outstripped. In this respect I share the apprehensions expressed yesterday by the representative of Israel in his general remarks. That government had voiced a desire to see the exceptions contained in the present GATT Article XVIII replaced by new provisions, or even by a new section reflecting the present situation. These provisions should actually be a codification of the close relationship existing between economic development and the expansion of international trade, the latter being dependent on the former. When GATT came into being, many countries were still colonial dependencies and the colonial nation had sovereign power to decide as to the ways and means of the social and economic evolution of the peoples under its administration. Some contracting parties which did not have, or no longer had, any colonial responsibilities considered that the mere fact of accession to independence by colonial territories would bring about an expansion of international trade. The present situation shows those hopes to have been vain.
I realize, Mr. Chairman, that some of these nations might tend to blame such a state of affairs on the survival of certain preferences between the former colonial states and what were their colonial territories. But I think also that they are ill-informed as to the true economic situation in the under-developed countries. That situation is such that the mere removal of all obstacles to the trade of tropical countries can no longer today be considered as the only remedy to it. No very detailed statistics are needed to prove that the less-developed countries are year by year becoming poorer and that all the direct or indirect aid which has been given them amounts to less than the loss which they have suffered because of the drop in prices of their export products. This deterioration in the terms of trade is aggravated by the periodic upswing in the industrialized countries which furnish their equipment goods as well as their clothing and a host of essential products. In actual fact, our governments are frequently rendered somewhat powerless in economic matters. They cannot fix the prices of their own export products. Because of international agreements such as the Coffee Agreement, they cannot expand production which, as in our own particular case, is still at a stage of infancy. Prices of their imports are affected by the rising standard of living in the industrialized countries. At present, Africa has reached the era of television before the least solution has been found to its economic problems. Each day international trade offers it new products, creating new needs which are difficult to satisfy. Mr. Chairman, this dialectical situation constitutes a real obstacle to the expansion of international trade.

As you also know, industrial output is constantly rising in the wealthy countries and the problem of outlets is becoming fairly serious for them. The low standard of living in my country hinders the expansion of outlets. Is it a reasonable and durable solution to hand out funds to countries such as mine so that they can buy goods from the wealthy countries? This cannot be a long-term expedient.

It seems to me, Mr. Chairman, that the sufficiently wealthy contracting parties should concentrate their efforts on searching for ways to achieve a real expansion in the economic capacity of our States. In the meantime, there can be no question of applying the same rules to the poorer partners as to the wealthy ones, for else the poverty would only be aggravated. This is why, Mr. Chairman, I consider that the suggestion for new provisions which the secretariat has submitted in document Spec(63)266 should be made much more positive. As regards the preambular paragraphs, these of course merely recognize the needs of economic development. I think that such recognition, which somewhat resembles the considerations in court findings, should not give rise to much discussion, for these principles were defined at the ministerial meeting. But the list is nevertheless incomplete, and I think that in the course of our discussions we shall without difficulty arrive at a more explicit list. It seems to me, however, that the enumeration of principles which should underlie the substantive provisions is not dynamic enough. I believe that the contracting parties should do more than merely state their intention of studying sympathetically these problems of economic development on which the expansion of international trade depends.
This situation calls for other measures than study. Accordingly, it seems to me that a very clear statement should be proposed. While not wishing to anticipate our future discussions, Mr. Chairman, may I be permitted to suggest a much more far-reaching formula than that suggested by the Executive Secretary. It might be along the following lines:

In order fully to attain the objectives of the General Agreement the CONTRACTING PARTIES agree on the urgency of resolutely assisting those among them whose economies are still insufficiently developed: firstly by affording increasing access to the markets of the industrialized countries for exports which are of vital interest to the less-developed countries. Secondly, by refraining from imposing or maintaining measures of taxation which may hamper growth of consumption of these products. (In this connexion may I be permitted to mention in parentheses that the inclusion in the text of phrases such as "so far as possible" would completely reduce the scope of such recommendations. If assistance to our countries is not to involve any inconvenience for the industrialized countries, then I fear that the problem of development will have no chance of solution.) Thirdly, by co-operating together and with the appropriate international organizations in order to find a definitive solution to the problem of fluctuation in prices of primary products.

These provisions would be supplemented by an agreement on the following lines:

(a) To consult regularly and to co-operate in joint action to further the objectives thus defined, in particular by concluding multilateral arrangements or agreements;

(b) to keep themselves informed of the economic situation and development plans of the under-developed countries so as to be in a position to participate, in co-operation with the specialized agencies, in assisting the economic development of such countries, in particular in the field of economic diversification and more especially industrialization.

It would still remain to define the measures of restriction on import trade to which the less-developed countries would be permitted to resort in the event of an economic crisis, as is unfortunately often the case; I should like to revert to this on another occasion. These temporary remedies should be listed and made subject to conditions to be discussed. But I should like now to state that it does not seem to me appropriate to direct the attention of governments towards import surcharges, which are extremely delicate measures to manipulate in countries with a low standard of living where the economic education of the people remains to be achieved. May I add, Mr. Chairman, that the terms of reference of our Committee also seem to call for proposals for changes in the administrative structure of the secretariat. Indeed, the problems before us seem to me sufficiently important to warrant the creation of a post of Deputy Executive Secretary to deal with these particular matters.