Mr. Chairman, we are grateful for your introductory remarks and for the valuable contributions made by the delegates who have preceded me. The Declaration adopted in the ministerial meeting of the Contracting Parties in 1961 on the promotion of trade of the less-developed countries was a landmark in the history of the GATT. For the first time the GATT committed itself, in clear and unequivocal terms, to the expansion of export earnings of less-developed countries to enable them to carry forward their development programmes.

The Declaration was warmly welcomed, but the developing countries pointed out that the value of the Declaration would depend upon the manner and extent to which it is implemented in practice. It is a matter of regret that little progress has been made in this regard during the last eighteen months, though we are most grateful for the valuable spade work done by Committee III and the GATT secretariat. It is our earnest hope that in this session we will be able to take firm decisions on the proposals presented to us by the Committee III and the Special Group on Tropical Products so that some advance may be made towards the improvement of the export earnings and the economy of the less-developed countries.
The Eight-Point Programme of Action under our consideration today represents the beginning of the most meaningful effort made in the GATT to improve the trade of less-developed countries. As it seeks to give effect to the Declaration of November 1961 one would have assumed that it would receive the unqualified support of the industrially advanced as well as of the less-developed countries.

It is a matter of disappointment that the response of the industrially advanced countries has been somewhat lukewarm. There is hardly any clause of this programme which has received unqualified support from the advanced countries. Even the standstill agreement has not been given unreserved support. Not only is the timetable embodied in the programme being opposed but suggestions are being made to postpone the tariff reductions recommended by it to the conclusion of the Kennedy Round. We are afraid that if acceptance of the Action Programme is delayed now we will be lost in the complexities of the Kennedy Round where so many other questions such as degree of reciprocity and list of exceptions etc. will arise and the entire effort of the less-developed countries to have quick relief will be frustrated. We appeal to our colleagues from the advanced countries to reconsider this Programme of Action and give it their unqualified support.

Mr. Chairman, during the last few years GATT has made quite exhaustive studies of the problems of the less-developed countries. We, however, feel that enough attention has not yet been paid by it to the importance of preferential arrangements for their trade and economic growth. We urge that the rôle of preferences in the economies of the less-developed countries be examined very carefully and that a scheme be drawn up under which the less-developed countries can receive preferential treatment in the matter of tariffs on some of the products important to them.

The less-developed countries in their present stage need not only larger and assured access to the markets of advanced countries but also special concessions to be able to compete effectively with the industries of the advanced countries which have several advantages over them. We hope the advanced countries will give their most serious consideration to this proposal and will not oppose it on merely doctrinal grounds. The history of GATT shows several examples of how the basic principles of GATT have been adapted to the needs of the advanced countries. We urge that a similar pragmatic approach may now be adopted towards the problems of the less-developed countries. We hope that the Committee to be set up to study products and countries which need preferential treatment will complete its deliberations well before the Kennedy Round so that this important matter is not left out of consideration at that time.

There should also be a more rational division of labour among the nations of the world. The traditional patterns of production in the advanced countries must give way to a more equitable system under which the developing countries also can find a viable place. The advanced countries must vacate room for the
simple manufacturers of the less-developed countries by moving on to higher levels of our specialization. This cannot be left entirely to trade and industry of the advanced countries. Deliberate policies will have to be framed which enable the less-developed countries to develop their industries on the lines of greatest efficiency and provide them expanding outlets for simple manufactures. We recognize that these structural changes can be accomplished only gradually but we urge that a beginning in that direction be made immediately in accordance with a well-defined programme.

We wish to express our appreciation of the excellent work done by the Special Group on Tropical Products. It has examined the problem thoroughly and has made precise recommendations for dealing with all important tropical products. We urge that the recommendations of this Group be accepted by all countries. We are fully aware that the removal of duties on some of the tropical products would affect the preferential trade relations which exist between some of the advanced and the less-developed countries attending this Conference. In fact the recommendation on Tea would extinguish the preference which Pakistan and some other members of the Commonwealth have enjoyed in the United Kingdom. We nevertheless support the elimination of duties on tropical products even though it involves a sacrifice for Pakistan of a preference enjoyed by it over a long period of time.

Mr. Chairman, we welcome the opportunity created by the passage of the United States Trade Expansion Act for the reduction of barriers to trade. Since we will be discussing the Kennedy Round when we come to the next item of the agenda I will not go into many details of this matter today. I would, however, like to express our hope that the advanced countries will give us a firm undertaking that they will not include products of importance to the less-developed countries in their respective lists of exceptions and that we would not be pressed to make reductions in our already quite low tariffs in return for the reductions that the advanced countries may make in their customs duties, and that a special time-table will be drawn up for the reduction of the tariffs of the advanced countries on products important in the trade of the less-developed countries.

We further hope that the ground rules for the Kennedy Round of tariff negotiations will be drawn up in such a manner that the less-developed countries can participate in them constructively.

It is difficult at this stage to predict precisely when the Kennedy Round will begin and how long the negotiations will take to come to a conclusion. We would, therefore, urge that the measures proposed by the less-developed countries about reduction of tariffs on primary products and industrial goods of interest to them will, as far as possible, be implemented without waiting for the beginning of the negotiations. It would be very disappointing indeed if the Kennedy Round which will be held to liberalize trade is used as an argument for not taking any action in the interim to ease the lot of the less-developed countries.
Mr. Chairman, the GATT is today faced with a challenge and that challenge lies in the emergence of the less-developed countries as independent political entities and their strong desire to develop their economies as quickly as possible, to a level which can sustain a reasonable standard of living for their people. GATT has already studied the problems of the less-developed countries, identified obstacles to their trade and to the acceleration of their development programmes, and in several cases suggested solutions for those problems. Nevertheless, the basic principles of the Agreement itself do not take into account fully the great economic inequalities that exist among the contracting parties, the special problems of the less-developed countries, and the pressing need for their solution.

I believe it is not necessary for me to dwell at length on the inadequacy of the economic philosophy and provisions of GATT to meet the changing world structure, and on the disappointments that the absence of an appropriate machinery for the implementation of its decisions has caused, and the need for making GATT more responsive to the requirements of the less-developed countries. We fully support the recommendation of the GATT Council that a working party should be appointed to review and to enlarge the text of the Agreement with a view to making GATT a more effective body in the field of international trade and development.

We also support the suggestion of Committee III that the work of the Committee should be extended to study, in collaboration with other agencies, in detail the economies, export potential, and market prospects of less-developed countries and to recommend appropriate remedies.