Mr. Chairman,

First of all, I should like to say, as did several of my colleagues yesterday, how much my Government appreciates the amount of preparatory work already done to get the Kennedy Round of tariff negotiations under way and to lead it to a successful conclusion.

May I also pay tribute to the efforts made by you Mr. Chairman. You have - as so often before - shown your great ability in this difficult work.

The solution of the remaining problems will evidently influence our final attitudes. I should like, however, to use this opportunity to describe briefly the position of Finland at this formal opening of the negotiations.

At the Ministerial Meeting held here a year ago, the Finnish Minister welcomed the initiative for this trade conference and recognized the need to take action for the removal - to the greatest possible extent - of the barriers to world trade, aiming at its expansion.

On the other hand, he pointed out that, Finland would have to pay serious attention to some specific problems of her own. He made it clear that the linear method in tariff cuts would have a somewhat exceptional impact on the economy of a country like Finland, because of her special trade structure.

What I have now in mind is the fact that the across-the-board tariff reductions will in our case benefit very few export items only. Let me remind you of the structure of our trade: over 80 per cent of our exports to GATT countries consist of products based on wood - covered by only three chapters of the Brussels Nomenclature - they consist to the greatest part of raw materials and semi-finished products - and there are only very small numbers of items where Finland is the principal supplier.

* English only/Anglais seulement.
On the other hand, the advantages we would have to grant to our GATT partners, when the linear method is applied, would cover - owing to the structure of our import trade - a much larger range of products - which, in contrast to our exports - are to a great extent highly processed industrial goods: their share of our total imports coming from GATT countries has been around 50 per cent.

Clearly, this state of our trade structure must give rise to serious thoughts and concern. It is indeed my Government's view that Finland would have valid reasons to request the special treatment foreseen for countries qualified under the provisions of paragraph B.3(c) of the Ministerial Resolution.

Nevertheless, after careful consideration of all the relevant factors we put aside these doubts and decided to enter into negotiations under the general rules on the basis of the linear cut of 50 per cent.

In taking this decision we do expect that sizeable benefits can be derived and an overall balance of advantages will be reached.

Against this background, should it happen that when the negotiations progress, significant parts of our main exports were to be excluded by any of our principal negotiating partners from the scope of the negotiations, so as to prejudice the basic principle of overall balance of advantages, a situation may arise where we, naturally enough, would be forced to modify our initial offer - or even review our position in its totality - as the case may require. But I do hope such a situation will never arise.

To tackle now the no doubt complex problem of how to identify the significant disparities in tariff levels, I would like to say briefly that, I fully share the views and the anxiety expressed by several of my distinguished colleagues. Every effort should be made and every method explored to avoid any adverse effects to third countries.

In more than one connexion already, we have stressed that agriculture, owing to our climatic and social conditions, creates special problems in Finland. For this reason, we have studied and shall be studying with greatest care any proposals for rules to govern this field of negotiations.

My Government is of the firm opinion that everything possible should be made to facilitate the participation of the developing contracting parties in these negotiations. The conditions should be considered and prepared not in the light of the general rule of reciprocity but of the trade and development needs of these countries.
All of us know that the whole context of the position of the developing countries in world trade is now under review within a wider scope. My Government hopes that the results of the Kennedy Round will contribute to the solution of the development problems now under close study at the United Nations Conference on Trade and Development.

We have noted with satisfaction the work done in exploring ways and means for the participation of Poland in the Kennedy Round. My Government warmly welcomes this development and sincerely hopes that the necessary arrangements could soon be finalized.

In conclusion, let me say that the Finnish Government, fully aware of the importance of the task laying ahead, very much hopes that the Kennedy Round of negotiations will be a success and prove beneficial to all the parties concerned.

END