On 11 November 1968 I had the honour to present to the GATT Council the application submitted by Romania in July last year, proposing the opening of negotiations on conditions for the eventual accession of Romania to the General Agreement on Tariffs and Trade.

Today we are at the beginning of a further stage of the procedure set in operation by the acceptance of our request, and in this stage our Working Party must carry out its terms of reference: "To examine the application of the Government of Romania to accede to the General Agreement under Article XXXIII and to submit to the Council recommendations which may include a draft protocol of accession".

Since 11 November last we have made available for distribution the "Memorandum on the economy and foreign trade of the Socialist Republic of Romania" (documents L/3101, L/3101/Rev.1 and L/3101/Rev.1/Corr.1); we have received the seventy-five questions asked by contracting parties and have transmitted our replies (document L/3211). We hope that all these documents will have contributed to give a clear picture of the possibilities and needs of Romania's economy and foreign trade and also of the prospects for developing trade between Romania and the contracting parties to the General Agreement.

Romania pursues a policy of developing trade and economic co-operation with the socialist countries, the developing countries, the developed countries with a market economy - with all countries of the world irrespective of their social and economic system; this policy is based on the principles of respect for independence and national sovereignty, equality of rights, non-interference in domestic affairs and mutual advantage.

In the past few years Romania's foreign trade relations have become geographically more diversified. The countries taking part in the activities of GATT, in various forms, including the socialist countries that are contracting parties, accounted for 55 per cent of Romania's total trade in 1968, as against 38 per cent in 1960.

The socialist economy of Romania is a dynamic economy and is engaged in a process of harmonious and multilateral development. Romania undertakes efforts to reduce the distance separating it from the industrial countries, having from the economic aspect problems similar to those encountered by the developing countries.

To supplement the information in the Memorandum, we would like to report the principal economic results recorded by Romania in 1968:
Overall industrial output last year increased by 11.6 per cent related to 1967, including an increase by 14.2 per cent in production of electric and thermal power, 16.7 per cent in that of mechanical engineering and metal-working, and 16.9 per cent in production of chemicals, cellulose and paper.

With respect to agriculture, the average aggregate production achieved in 1966-1968 - related to the 1961-1965 annual average - has increased by approximately 24 per cent.

The encouraging results achieved in the national economic development process have led Romania to intensify its participation in international trade. The annual average growth rate of our foreign trade in 1966-1968 was in excess of 12 per cent.

According to preliminary estimates for the Five-Year Plan covering the period 1971-1975, industry will develop at an annual average rate of 8.5-9.5 per cent, and overall industrial output in 1975 is expected to be 50 to 57 per cent above the level for 1970. Over this period, total agricultural production is expected to increase by 28 to 31 per cent in relation to average production for the years 1966-1970. During the coming Five-Year Plan period, centralized investments from State funds will be almost equivalent to the volume of investments made during the years 1961-1970. During the coming five-year period, the country's economic development is expected to result in an increase in national income by an average of 7.7-8.5 per cent each year.

As a consequence of multilateral development of the national economy at a sustained rate, during the coming five-year period there will emerge a more intensive and more effective participation by Romania in the expansion of trade and the strengthening of collaboration with all countries.

To sum up the Memorandum and our replies to the questions put by contracting parties, we believe that the following ideas should be borne in mind:

- In acceding to the General Agreement, Romania undertakes, in conformity with the most-favoured-nation clause, to pursue the same non-discriminatory policy with respect to all its partners that are contracting parties, and expects for its part to receive like treatment.

The foreign trade plan does not represent any obstacles and does not comprise any discrimination, but constitutes an orderly and flexible forecast of the major needs and capabilities of the national economy.

- The Romanian import-export enterprises operate just like other similar enterprises in accordance with criteria of an exclusively commercial character.

In conclusion, I should like briefly to present our views concerning the conditions for accession of Romania to the General Agreement.
By virtue of its accession to GATT Romania expects to be able to enjoy all the facilities that the contracting parties grant each other, and in exchange to assume all the obligations devolving upon it; in the absence of a customs tariff Romania is prepared to undertake to allocate its earnings from exports to the contracting parties for increasing, on a multilateral basis, its imports from those countries.

Taking into account the fact that in recent years Romania's imports from GATT member countries have been substantially larger than its exports to those countries, it is clear that an undertaking to augment our imports still further must be correlated to expansion of our exports. We are prepared to examine the evolution of trade on a multilateral basis within the context of periodic consultations.

In the same order of ideas I wish to make it clear that, in the tariff field, our accession would merely constitute formal recognition of a factual situation. In general, we are already enjoying GATT tariff benefits by virtue of most-favoured-nation treatment, as agreed bilaterally with the member countries. So far as quantitative restrictions are concerned, although we are witnessing a continuing process of liberalization of imports from our country, restrictions are still maintained in important sectors and it would only seem reasonable that by acceding to GATT Romania should obtain from the contracting parties a specific undertaking regarding the elimination of discriminatory quantitative restrictions, in accordance with the provisions of the General Agreement.

The deliberations of this Working Party should confirm the fact that the General Agreement constitutes the proper framework for the expansion of trade between Romania and the contracting parties.

We believe that Romania's accession to the General Agreement will contribute to the extension of trade relations with the GATT member countries and thereby to the development of international economic co-operation. The Working Party has before it a task involving great responsibility. We are convinced that the goodwill with which all its members are imbued will enable us patiently and wisely to evolve the most suitable ways for carrying out our terms of reference.

The guarantees for this are the unanimously favourable attitude expressed with respect to Romania's application for accession, the exceptional ability and extensive experience of our Chairman, Ambassador Swaminathan, as well as the particularly significant and able support of the Director-General, Mr. Olivier Long, and his distinguished colleagues.

In conclusion, I should like to thank you in advance for the efforts that you are to undertake and for the attention given to our work. Our delegation assures you of its profound desire to co-operate.