This session of the CONTRACTING PARTIES is of special consequence.

Its real significance derives both from the various items included in the agenda, some of them of special and undoubted importance, and from the particular point of time at which this session is taking place.

We are indeed at a crucial juncture in the history of GATT. The twenty-fourth session of the CONTRACTING PARTIES is taking place as the General Agreement on Tariffs and Trade reaches its twentieth anniversary and immediately following the conclusion of the Kennedy Round, and consideration will have to be given to initiatives of various kinds connected with the future activities of GATT and its relations with other organizations, in particular UNCTAD. That is why the examination of Item 3 of the agenda, concerning the expansion of international trade, affords an opportunity for a general review of the present situation and future prospects.

Uruguay has taken an active part in the work of GATT almost from the outset, and has been a contracting party for a number of years, having ratified the General Agreement in 1953; the Uruguayan delegation wishes to state that it will continue to place the same confidence in this organization as it has done in the past, and that it considers that GATT remains an effective and necessary instrument for the liberalization and progressive development of international trade.

The importance and present significance of GATT can be appreciated if one considers that today seventy-four States are contracting parties - as against twenty-three in 1947 - four countries have acceded on a provisional basis, one is participating in the work of GATT under special rules, and eight countries are applying the General Agreement on a de facto basis pending final decisions. If in addition one considers how this organization has developed, then one can appreciate all the better its vigour and the way in which its progressive development has corresponded to practical requirements of the world today.
This session of the CONTRACTING PARTIES is beginning a few months after the conclusion of the Kennedy Round. On 30 June 1967, Uruguay clearly stated its opinion on the results of those negotiations: not only was it a party to the joint declaration made by the developing countries, but in addition, in an individual statement, it expressed its dissatisfaction with the way in which its particular problems had been considered.

Today, in reiterating the ideas expressed then and once more expressing our views on the results obtained with specific reference to solution of our own particular problems, we are bound to acknowledge also that positive results were achieved in those historic negotiations for world trade as a whole. Although the results have been beneficial principally to the great developed countries, in that the most substantial tariff reductions have been in the industrial sector, it is no less certain that the experience gained and the awareness of what it was not possible to achieve together constitute priceless teaching and a pointer towards essential action, for the future.

This is not the occasion for analyzing in detail the results of the Kennedy Round. My delegation will do that when the subject comes under examination in connexion with the report of the Committee on Trade and Development. I should simply like now to emphasize the value and interest of that report, and in particular to underscore the importance of immediate implementation of concessions for the proper accomplishment and satisfactory completion of the Kennedy Round.

My delegation would also like to refer to the significance that it attaches to the work of GATT in connexion with the advancement of developing countries.

This is not the moment, nor am I the person, to review what GATT has meant, means, and above all may mean in the future for those countries. I should merely like to recall that having regard to the number of contracting parties that are in the process of development, and having regard to the legal instrument that the General Agreement represents - and more particularly Part IV thereof - GATT can play an important part in the general campaign for the advancement of developing countries. We have already started along the right path, and we already have the proper legal instrument to enable us to act. What is needed - and this is not the easiest thing - is that all the developing countries should be aware of their possibilities for action within GATT and should utilize them conscientiously, resolutely and energetically.

In this connexion the Uruguayan delegation would like to make special reference to the proposed trade negotiations between developing countries; we are all agreed that such negotiations are necessary, and the secretariat has already drawn up draft negotiating rules.
There are many legal and technical problems that arise in connexion with this question, but we are confident that the difficulties will be overcome and that the negotiations will soon be commenced, with the resolve of bringing them to a successful conclusion. My delegation wishes to reiterate its support for the idea of holding such trade negotiations, and it intends to participate in them.

A great deal could be said with respect to the future activities of GATT.

With particular reference to the programme for expansion of international trade (Item 3 in the agenda) the Uruguayan delegation has pleasure in stating that it concurs in the ideas and suggestions for action presented by the Director-General in the magnificent statement reproduced in document L/2906 and also in those expressed in document L/2893.

The fact that we are in agreement with those proposals makes it unnecessary for us to examine each one of them in detail, and I should therefore merely like to clarify my delegation's views on some specific points.

There are still a great number of barriers and obstacles hindering the exports of developing countries in general, and Uruguay in particular.

Some time ago, Uruguay had recourse to Article XXIII of the General Agreement and enumerated all the measures in existence at that time which were contrary to the General Agreement and were hindering or preventing Uruguayan exports. As a result of that action, many of those measures have been eliminated, but many still remain as may be seen clearly from documents COM.TD/W/60 and COM.TD/W/64 which were examined in the Committee on Trade and Development.

Tariffs are not the only barriers that hinder and stand in the way of world trade. Very often non-tariff or quasi-tariff obstacles constitute a more important and more serious barrier than those deriving from tariff measures, and this is particularly visible at the present time when, as a result of the Kennedy Round, tariff barriers have been lowered substantially in certain sectors or in specific instances. And since it is obvious that the results achieved with respect to non-tariff and quasi-tariff barriers have been very modest in comparison with those in the tariff field, much remains to be done and a comprehensive programme of action is needed in order to define and identify such non-tariff barriers, as a first step towards their elimination. My delegation considers that it would be of the utmost interest to make an inventory of the kind proposed by the Director-General.
So far as Uruguay is concerned, the non-tariff barriers that affect its exports are seriously impairing its participation in international trade, and consequently its development possibilities.

Uruguay's exports and consequently its development, are being adversely affected by means of untrue assertions - for example, the alleged existence of public health risks, invoked in order to hamper our exports and not on any other grounds - or through the agricultural policy structure of certain developed countries. The countries acting in this way should stop envisaging their own problems selfishly and should realize the serious effects that agricultural protectionism has on the economic well-being and progress of the non-industrialized countries and, consequently, on world trade as a whole.

The Uruguayan delegation considers that in view of certain serious and dangerous protectionist trends that have emerged, joint action is required at international level in order to defend and consolidate the concessions obtained in recent negotiations, and in order to permit their immediate implementation. If this protectionist trend were to continue it would bring about the withdrawal of concessions already granted, in other words a counter-reaction that would also be protectionist. The setback would be a serious one and we would in practice find ourselves in the situation existing prior to the Kennedy Round, the results of which would in effect be null and void.

The Uruguayan delegation is also of the opinion that other tariff liberalization measures can still be envisaged, such as those mentioned by the Director-General in the document to which we have referred. Uruguay is naturally prepared to study the question and to take part in such future negotiations.

As the Uruguayan delegation has already stated in the Ad Hoc Group on Assessment of the Kennedy Round Results and in the Committee on Trade and Development, we should pursue our endeavours with the object of holding consultations, using the GATT mechanisms, in order first of all to begin practical negotiations in the agricultural sector, with particular reference to meat and dairy products. Some work was begun on these two sectors during the Kennedy Round, but no positive results were achieved. The experience gained and the work of Committee II and its various sub-groups would now make it possible to resume negotiations in the agricultural sector, in which only scanty results have been achieved so far; prospects now seem better than a few years ago, so that it might be possible to complete a task which unfortunately had to be left unfinished in the other negotiations to which I have referred. In this respect, we can only warmly concur in the Director-General's suggestions in document L/2860, and support the views expressed in their recent statements by the representatives of Argentina and New Zealand.
Likewise in the industrial sector - though here the question is less urgent than in the agricultural sector - my delegation is of the opinion that it would be appropriate to consider the legal and practical possibility of holding trade negotiations in which for the first time the application of the most-favoured-nation clause would be waived in respect of concessions granted by the industrial countries to developing countries. Only negotiations of this kind would permit access on better competitive terms for manufactures produced by the developing countries; such negotiations would be of positive interest to the developing countries in the sector to which we refer and would constitute a practical contribution by GATT to their advancement.

It is not my feeling that a developed country which grants a concession to a developing country should automatically extend this "advantage, favour or privilege" to all developed contracting parties. The maintenance of a strict and rigid interpretation of Article I in Part I of the General Agreement would be an obstacle to the granting of special facilities to developing countries, because such facilities would automatically be extended to all developed countries which are contracting parties to GATT.

Part IV of the General Agreement, Article XXXVI, paragraph 5, calls for increased access to markets for processed and manufactured products of particular interest to less-developed contracting parties, and paragraph 8 of that same Article states the principle that the developed contracting parties must not expect reciprocity for concessions granted by them to less-developed contracting parties.

These extremes open up possibilities for future negotiations in the industrial sector in which, as I have suggested, the most-favoured-nation clause would operate within the context of the General Agreement and in which, through a wider and more progressive interpretation, solutions could be arrived at which would truly be favourable to exports of manufactures by developing countries.

The Uruguayan delegation submits this idea to the CONTRACTING PARTIES, in the hope that it may be the subject of analysis and study.

The Uruguayan delegation wishes to lay particular stress on the fact that GATT can make a very fruitful contribution in future to the expansion of the foreign trade of developing countries.

The under-development of one sector of mankind is a phenomenon that not only adversely affects the countries in that situation, but also constitutes a division of the world which, quite apart from the temporary enrichment of some industrial countries, creates a serious gulf that has adverse effects for everyone and that threatens the peace, security and consequently the future and very existence of the human race.
Action by the international community in order to create "conditions of economic and social progress and development" (to quote Article 55 of the United Nations Charter) is within the purview of GATT, which has these same objectives in accordance with the principles set forth in the Preamble and in Part IV of the General Agreement, and also of other institutions, in particular UNCTAD.

The fact that GATT and UNCTAD both exist cannot be envisaged as constituting evidence of opposition between two organizations that have the same objectives and procedures but are at odds in a bitter conflict of jurisdiction. That would be a serious mistake. On the contrary, these two international organizations of different origin, of a different legal nature, which have acted through different procedures, whose decisions have a different impact in the internal sphere, but whose ultimate objectives coincide. Both should be used to carry out a joint endeavour to which each of them can contribute its own experience and the positive aspects of its own individual characteristics.

A proposal has been made for co-ordinated action by GATT and UNCTAD, and for co-ordination in their organization, with respect to the promotion of exports between developing countries, through the establishment of a Joint GATT/UNCTAD International Trade Centre as the result of an agreement between the two organizations which has just been presented to the United Nations General Assembly, in a concrete proposal, by the Secretary-General of that organization; the proposal is bound to be of great importance, and it can open up new prospects for future action.

In this general statement in reference to Item 3 of the agenda I have tried to contribute to an assessment of past activities and to the formulation of a future programme.

We believe that the results obtained over the twenty years of GATT's activities are positive, and that the organization's action has justified its creation.

But it is above all with respect to the future that we are optimistic, because of the prospects for the task before us.

The increase in the number of contracting parties, the magnificent plan presented to us, the increasing role of GATT in the centrally-planned economies, and existing prospects in this connexion, together with increasing participation by the developing countries - all these are positive elements which indicate that we have reached a decisive stage in the history of GATT and that we can envisage a positive plan for the expansion of international trade.

The Uruguayan delegation embarks on its work at this session of the CONTRACTING PARTIES with full confidence in the task in which we are engaged, because that task is necessary for progress and development - without which one can ultimately have neither peace, nor justice, nor liberty.