This twenty-fourth session of the CONTRACTING PARTIES is of special importance to the Members as we are now commemorating the twentieth anniversary of our organization, known the world over as the GATT. Your opening statement has inspired us to reflect upon the evolution of this international organization during the twenty years of its existence, upon the efforts that have been made and the gains secured for the world community in the pursuit of the objectives set forth by the founding fathers. At the same time you, Mr. Chairman, have rightly underlined the great task that remains unfinished or has yet to be undertaken and which concerns the largest segment of the world population and the majority of the Members of our organization.

We have also followed very closely the Director-General's important statement and taken note of his valuable suggestions, in particular pertaining to the work to be undertaken towards the development of a free-trade arrangement embracing as broad a sector of production as possible. The so-called Bad Godesberg Plan, put forward by Mr. Wyndham White on earlier occasions, such as in his speech to the Canadian Club of Toronto last month, also deserves our fullest attention. We are also grateful for the very constructive suggestion he made and which was unanimously agreed to include "programme for expansion of international trade" as item 3 of our agenda.

Reflecting now upon GATT's achievements in the past, I believe that we all agree that this organization has done a great deal for the development of world trade in these two decades. The recent impressive achievement was the successful conclusion of the Kennedy Round of negotiations.

Turning now to the question of the developing countries in particular, as you rightly stated, Mr. Chairman, the launching for the expansion of trade, the Haberler Report, the Ministerial Conclusions of 1961, and the Ministerial Resolution of 1963, culminating in the addition of Part IV of the General Agreement, are all milestones in the desired direction. It is true, however, that the less-developed
countries had also nurtured high hopes that the Kennedy Round would be another milestone, but in this respect the results achieved in their favour fell short of their expectations.

Allow me now to dwell for a few moments on this question as we see it strictly from our own point of view. The Indonesian delegation certainly shares the optimism that the Kennedy Round will give a strong impetus to the expansion of world trade, particularly among the major trading countries which constitute the largest portion of world trade. The theory is that the expansion of such trade will automatically generate new impulses on the trade of the non-industrialized countries. Testing this notion on the actual performance in the past, we may conclude, however, that this is more a fallacy, rather than a doctrine on which we can base our policies for the expansion of world trade in all sectors.

In this connexion, the Indonesian delegation finds it indeed regrettable that the Kennedy Round of negotiations was exclusively concerned with tariffs on industrial products, representing the more sophisticated sectors of world trade. It may indeed be true that the time element during the negotiations has prevented the negotiators from giving the problems of the less-developed countries the attention they intended to bestow on them. Hence, the GATT is now being faced with an unfinished task, an unresolved problem and we certainly cannot stop half way.

I am convinced that there is indeed a genuine desire of the international community to assist the developing countries to get over the hump. During recent years one could also observe a process of change, after trial and error perhaps, on the side of the developing countries towards a full awareness that it is in their own hands to solve their problems and that in the first place they themselves should shoulder the full burdens of their efforts to promote economic welfare for their people.

But the harsh fact is that they must also be assisted by the international community at large. At the present time, Indonesia for one, is making strenuous efforts to redress the extremely difficult situation in its foreign trade and to boost up again its exports. We feel, however, that national measures must be complemented by international actions, since after all foreign trade goes beyond national boundaries. There are still various obstacles to trade of primary products in many major markets, such as tariffs on palm oil, tobacco, on all kinds of spices including pepper, on coffee and other beverages, even on copra, and so forth. Furthermore, there are numerous non-tariff barriers such as the variable taxes on tapioca, the internal charges on a long list of products.
I believe that the developing countries are sincere in their hopes to attain immediate and effective co-operation from the developed countries for the elimination of tariff and non-tariff barriers to their export trade. This question has not only its strictly commercial implications but has also its effects on earnings of the domestic producers, on employment, on social conditions, and hence also its political implications, especially if it concerns a large number of small-holders in the producing developing countries.

After the massive success achieved through the Kennedy Round in the area of industrial liberalization, it would be most fitting to take up immediately the vital sector of primary products of particular interest to the developing countries. A fresh start must be made with a renewed spirit at this twenty-fourth session, in commemoration of the twentieth anniversary of GATT. There will be a ministerial meeting towards the end of the session, and therefore immediate work must be done to prepare the ground in order that firm decisions and commitments could be made during their two days' meeting, particularly on important areas of particular interest to the developing countries.

As a basis for our considerations it would be most appropriate to take into full account the Charter of Algiers which has become the basic platform of the developing countries on the various problems on trade and development. The constructive proposals emerging in this session, in particular your statement and that of the Director-General, are also extremely important for our work.

If an effective programme could be formulated during this session, and we believe that such a policy document would be necessary, the Indonesian delegation would then propose that the following keypoints be included:

Firstly: The binding on zero on products now already enjoying free entry.

Secondly: The elimination of the already low duties. As has been suggested by the Director-General tariffs below 5 per cent should be eliminated. We believe, however, that especially in the case of primary commodities a higher range of up to 10 per cent is to be set, in view of the fact that most products of export interest to the less-developed countries are being levied tariff duties of more than 5 per cent.

Thirdly: The immediate implementation of the concessions given in favour of the developing countries within the Kennedy Round, without the transitional period of five years. My delegation welcomes the efforts of some countries whose governments have already stated their willingness to carry out the advance implementation on a number of items in the coming year. Nonetheless, the Indonesian delegation still expects that this implementation without phasing will be carried out by all developed countries on all items, where they already accepted the obligations towards the developing countries in the Kennedy Round.
Fourth: The duty-free entry of tropical products. So far very little progress has been achieved to completely liberalize the trade of products, wholly produced by the developing countries. The time has now come, as the Director-General suggested, to devise some means of moving away from the situation in which wealthy countries which are not themselves producers of tropical products continue to impose taxes on these goods.

Fifth: The elimination of duties on raw materials for industry. Admittedly, many raw materials are already now enjoying duty-free entry in many major trading nations. Further steps ought to be made to secure free access for the remaining industrial raw materials in all developed countries.

Sixth: Effective solutions be found on import restrictions and other non-tariff barriers, such as internal taxes or levies. There seems to be a need to make a more detailed inventory on all sorts of non-tariff barriers. Further consultations are ... than required between countries directly concerned, especially on questions relating to competing products.

Seventh: Modification of protective policies on agricultural products. Many agricultural products originating from developing countries face various kinds of measures in some major markets to protect domestic production of similar or competing products. Having gained such strength in their economies, it would not be too unreasonable to suggest for the modification of the existing protective policies, by extending special treatment to agricultural products from the less-developed countries.

These are the key points which the Indonesian delegation would like to stress again in the area of tariff and non-tariff barriers especially in the sector of primary products. We do recognize that within this context, we find the closely related problem of special preferences now given to certain developing countries. We sincerely hope that a final solution in concrete terms could be worked out and immediately implemented and that we could move ahead towards a multilateral system of trade for the benefit of all developing countries, where none would be isolated or being discriminated.

We have in our statement given the emphasis on the sector of primary products, but we certainly recognize the great importance of the trade in manufactures and semi-manufactures and the new opportunities they provide to expand trade. A most significant step forward would thus be to introduce general preferences in favour of the developing countries on a non-reciprocal and non-discriminatory basis.
In our efforts to expand trade, trade promotion is of course indispensable. We greatly welcome the existence of the International Trade Centre and we are confident that the resources of this Centre will be increasingly utilized to assist countries to develop their export potentials.

Furthermore, it is also recognized to expand the trade among developing countries. While further progress could be achieved in this regard, we all know the limitations and that in any way this could not be a substitute to the trade they maintain with the industrial centres in the world. Continuous efforts must, however, be made to further promote regional or sub-regional co-operation.

The Indonesian delegation sincerely believes that GATT could do a great deal to assist the developing world especially in the field of tariffs and other commercial policy matters. As we have stated earlier, we have an unfinished task, urgent but largely unresolved problems to tackle. On this occasion of our twentieth anniversary, it is fitting, I believe, to pledge ourselves to make renewed efforts to take up immediately the pending questions and to work towards the moulding of commercial policies to development needs, on a national and international scale.