Mr. Chairman,

When you suggested that contracting parties which have to regard their countries as economically insufficiently developed should include in their consideration on the question of quantitative restrictions Section B of the draft in document W.9/17, you no doubt will have been of the opinion that such would facilitate things for a delegation of a country like mine. I doubt very much, however, whether this is the case; actually I do not feel that that part of the document mentioned is very helpful to us. In fact, I could not possibly accept the text of the whole of that document one letter further than until and including the first word of the sixth line of paragraph 6, so that for me there does not remain much of Section B to be taken into consideration and to make observations upon. This does not detract from our appreciation of the efforts made by the Executive Secretary and his Deputy. I do not understand why it should be necessary to qualify in an Agreement which, according to its preamble — and I assume without any intention to discrimination — aims for all its participants at raising standards of living, full employment, steadily growing volume of real income and effective demand, full use of resources and expansion of production and exchange of goods, one group of its participants in such a completely different category from the others. And when I say this, I refer basically to the introductory remark in document W.9/17 that the object of the draft is to "replace as well those provisions of Articles XII to XIV which relate to underdeveloped countries". There is nothing inconsistent in my present observation with the fact that in our delegation's statement of 10 November it was said that "we are fully convinced that a clearer distinction should be made between economically developed and underdeveloped countries as far as recourse to escape provisions is concerned".

1 There is another remark with respect to the introductory paragraph of the document: it should not be intimated that consultations would have taken place with the United Nations regional commissions, at least not with the Economic Commission for Asia and the Far East, because such consultations with this Commission have not been in any agenda of ECAFE up till now and consultations with ECAFE's Executive Secretary or his staff at Bangkok are not to be considered as consultations with the Commission. I wish to draw attention to this substantial difference.
Distinction between reasons for recourse to escape provisions according to differences between stages of development does not at all mean providing for a more or less quarantine-like position for a certain group of participants to a General Agreement. I might ask with some emphasis why countries, not only having suffered from war damage in many cases, but which underwent, prior to that, all the social and economic inconveniences of being deprived for some centuries of the right to determine their own future, should not be in a position to avail themselves of the same - and exactly the same - facilities that their fellow contracting parties which experienced war damage after a considerable period of free social and economic development were allowed to make use of for their economic restoration and expansion during these past seven years.

I listened with great interest to the statement made yesterday by the delegate for Australia and I fully concur with the position taken by his Government, namely that any prior approval or notification of measures to be taken in relation with the enurance of the country's social and economic development is absolutely unacceptable. The position of my Government is in this respect, Mr. Chairman, exactly the same.

I listened yesterday with even greater interest to the delegate for France when he said that the present Articles XII to XIV fully cover the requirements of any country facing balance-of-payment's difficulties and that also the interests of other contracting parties are adequately safeguarded by the present provisions in those articles. I nearly fully concur with that statement too, and the only supplementary suggestion I have is to insert in paragraph 2(a) of Article XII after sub-paragraph (ii) the word "or" and to add a new sub-paragraph (iii) reading: "in the case of a contracting party operating under the provisions of Article XVIII (i.e. the new draft as far as I indicated it to be acceptable to us) and finding itself in the position as described in paragraph 5 of that Article". In my conviction this can completely save us the whole exercise of considering the paragraphs beyond the first half of paragraph B of that draft document. Such would not discriminate us away from our present position of equal contracting parties into a group of well-nursed countries having to seek multilaterally now for a similar kind of benevolence which several of them formerly had to try to obtain bilaterally.

Quantitative restrictions under GATT, Mr. Chairman, are applied for reasons of balance-of-payments' difficulties. We completely accept that and do not wish to be deprived of our title to such application. In one of the plenary sessions I have already said that the financing of economic development in order to fulfill two of the aims of our General Agreement - namely the raising of standards of living and full employment - exercises a pressure on the balance of payments, and that implicitly means difficulties. So, for enabling us to develop we do not require anything else then the kind of quantitative restrictions that has been applied by many contracting parties - developed as well as underdeveloped - during the past seven years and,
Mr. Chairman, as a result of that I heard several of our colleagues compete in assuring all of us that the economic state of affairs has considerably improved now! We are not unreasonably jealous but we wish to - be it necessarily slower - achieve the same thing under the same freedom of conditions and facilities. With regard to the point of convertibility I have the same reserved attitude already expressed by some other delegates, just let us wait and see first, before we make a complicated set of rules for something that is not yet in existence to a very large extent. I can partly understand the concerns expressed by Mr. Sanders, but I am afraid countries with a weak balance-of-payments' position and whose currency will not yet be generally convertible when some more major currencies do become convertible, will have to face heavier pressures on their reserves of such convertible currencies and then certainly be in need for quantitative restrictions in order to safeguard the financing of their essential imports. The problems of scarcity of specific currencies then are simply due to arise automatically for such inconvertible-currency-countries.

Summarising, Mr. Chairman, I fully share the views expressed yesterday by the delegate for France with regard to Articles XII to XIV, subject only to the insertion in Article XII, paragraph 2(a) I suggested in this statement, which insertion will enable us to considerably shorten the text for a new Article XVIII as envisaged in document W.9/17. To my colleague from India I may only remark that we have far better and mutually advantageous experiences with regard to bilateral trade agreements without really doing harm to third parties. In our initial plenary statement it was already said that we prefer the present GATT prolonged as it stands to something new that we would definitely feel as prejudicial to the position of economically underdeveloped countries, and that, Mr. Chairman, is our well considered position.