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Ecuador regards this GATT Ministerial meeting as of the utmost importance, since it provides a valuable opportunity for finding just and equitable solutions to the serious and urgent problems facing international trade today. We also feel that developing countries should at all times attend international forums where world economic matters are being debated, since their absence tends to leave them even more backward than they are at present.

On this occasion, the contracting parties must face the challenge posed by the gloomy economic and trade situation throughout the world and enter into commitments demonstrating that the GATT system is capable of resolving the appalling difficulties of the present time. But if this is to be a mere rhetorical exercise, lacking the political will needed to initiate action enabling the adverse, fluctuating conditions to be overcome, it could lead to an even more disastrous collapse of the world's economy.

The fact that I am making this statement after virtually all the countries and international organizations attending this Ministerial meeting have spoken enables me to observe the convergence of views, both in the industrialized and in the developing countries concerning the world's economic situation, characterized as it is by a falling-off in the growth of production, trade, investment, and employment; wholesale inflation; increasing protectionism and higher rates of interest; instability of exchange rates; soaring unemployment; higher international prices for manufactures and a decline in the price of commodities; profound changes in the balance of payments and international financial movements; and growing external indebtedness and debt servicing, which is an intolerable burden on the developing countries.

Again, all the countries have expressed in one way or another their concern about the danger of protectionism as a serious and significant obstacle to the expansion of international trade. But it is a contradiction for the developed States repeatedly to pronounce themselves

in favour of liberalization of international trade while at the same time adopting protectionist measures, many of them selective and discriminatory in character, against imports from developing countries, thus creating obstacles to the latter's trade and putting a brake on their industrialization efforts.

Protectionist measures prevent the developing countries from pursuing their policies for the expansion and diversification of exports to the markets of the developed countries. This causes them untold damage. The basic products of the third world countries are finding it more and more difficult every day to gain access to the markets because of the growing protectionism of the industrialized countries, and they find their earnings reduced by the manifest stagnation of their international trade.

My country's economy is to a great extent dependent on exports of tropical raw materials, and hence it has been affected by the application of protective measures in this sector such as quantitative restrictions, variable charges, subsidies, etc., which have an excessively restrictive effect and distort trade in the products in question.

Some of these protectionist measures are at variance with the rules governing the General Agreement on Tariffs and Trade and have been adopted outside the sphere of GATT.

Ecuador is in favour of holding future negotiations on tropical products within the framework of the GATT Committee on Trade and Development, and it hopes that these negotiations will be fruitful and not turn out to be just one more disappointment for the developing countries, as occurred in the case of the Trade Negotiations, in spite of the special, priority treatment laid down for these products in the Tokyo Declaration.

Prices for commodities, on which the vast majority of developing countries are largely dependent, have fallen drastically in real and nominal terms, so that at the present time they are at their lowest level for the the last three decades. Consequently, there must be a substantial improvement in the terms of trade of the developing countries as a vital prerequisite for the orderly conduct of international trade and for preserving international peace in our countries, since as everyone realizes, poverty and want generate human situations conducive to social and political violence which at times it is impossible to stop.

The decline in earnings from exports due to the fall in the price of commodities has helped to aggravate alarmingly the external indebtedness of the developing countries, which have been unable to find resources of their own to meet their needs and requirements and have had to resort to external financing for this purpose, with extremely high interest rates for servicing which upset their balance of payments and increase their budgetary deficit to the detriment of their investments and their development projects.

The close relationship between financial and trade problems leads me to draw the attention of this gathering to the need for establishing, within the international financial system, suitable and effective mechanisms to enable the problem of the external indebtedness of the third world countries to be successfully coped with without endangering their development or their political stability.

The international trade system has been witnessing the serious erosion of its basic principles and rules, since new concepts, unilaterally and arbitrarily applied, have appeared which have lessened the interest of the developing countries in wholehearted participation.

GATT embodies commitments requiring the developed countries to adopt trade policy measures designed to promote increased diversification of the exports of developing countries; these commitments are dealt with mainly in Part IV of the General Agreement and its Enabling Clause.

Ecuador trusts that the developed countries which are members of GATT will as a result of the present Ministerial meeting give proof of their political will to implement these commitments effectively, in particular those of reducing and eliminating barriers to the trade of the developing countries, refraining from imposing new customs duties and non-tariff measures affecting exports from the developing countries, and maintaining fair and remunerative prices for exports of their basic products.

Ecuador vehemently rejects the growing practice among certain developed countries of applying trade restrictions for purposes of political coercion. This type of sanction constitutes economic aggression which violates the provisions of the Charter of the United Nations, the Charter of Economic Rights and Duties of States, and the General Agreement on Tariffs and Trade. My country has been affected for more than two years now by coercive measures which prohibit the importation of tuna fish into the North American market and which constitute an infringement of the international undertakings and a practice at variance with the announced policy of trade liberalization. Problems of this kind must be avoided in the future by scrupulous observance of the General Agreement and the adaptation of national legislation to the provisions of this international legal instrument.

Although Ecuador is not a contracting party, it has always been interested in GATT's activities, since it is in agreement with GATT's main objectives of reducing obstacles to international trade and drawing up rules for regulating it on just and equitable terms. Nevertheless, we have to stress that many of its precepts are not observed and that it has not yet been possible through GATT to solve the problems affecting the trade of the developing countries.

The Andean Group, consisting of five South American developing countries: Bolivia, Colombia, Ecuador, Peru and Venezuela, is in unanimous agreement concerning the essentials of the points mentioned, namely the elimination of all forms of protection in the industrialized countries, the raising of prices for primary and semi-finished products through a more understanding and more humane attitude on the part of the rich countries - a matter which brooks no delay - and the necessary opening-up of the money markets of the powerful States in the interest of those countries which require a large flow of resources to raise the standard of living of their peoples.

We fervently hope that as a result of the present Ministerial meeting the developed countries will take heed of the observations made in this forum and the undertakings they have given freely, and that they will implement fully the provisions of the General Agreement, especially those of Part IV, and make improvements to the system of international trade in keeping with the principles and objectives of the New International Economic Order and the Charter of Economic Rights and Duties of States.

Ecuador appeals to the rich countries to see to it that this meeting fulfils its essential aim, namely to re-establish confidence in the system of international trade by the many devices mentioned above, so that all of us, especially the developing countries, will be able to face the challenge of today and the coming years without new and painful experiences in our battered economies. The Andean Group likewise shares the hope that solutions will be found on the basis of pragmatism and good faith, although it has never buried its head in the sand to avoid witnessing the commercial tyranny to which at times it is subjected.