This is a memorable year for the Contracting Parties.

Twenty years ago, to be precise, on 30 October 1947, here in Geneva, in this Palais des Nations, representatives of twenty-three sovereign governments appended their signatures to an Instrument containing the General Agreement reached between them on Tariffs and Trade. The Agreement entered into force on 1 January 1948.

As we meet today in the twenty-fourth session of the Contracting Parties, our thoughts go back to these fateful dates and we commemorate the twentieth anniversary of the Agreement, now commonly known throughout the world and in many languages as "the GATT". The Council has thoughtfully proposed for inclusion in our agenda a review of the work of Contracting Parties over the last two decades and consideration of our future programme. We shall thus have an opportunity to reflect upon the efforts that have been made in the pursuit of the objectives set forth by the founding fathers; upon the gains that have been secured for member nations and for the world community; and finally upon the great tasks that remain unfinished or have yet to be undertaken.

I propose to resist the temptation to describe GATT's concrete achievements, and I think it right to refrain from anticipating your assessment of the past. But I am sure the distinguished delegates would wish me to invite them to remember on this occasion these men and women who have striven hard behind their desks in national capitals or around negotiating tables in Geneva to attune national policies to wider purposes; to recall with gratitude the services so dutifully rendered by my predecessors in this high office; and last but not the least to record with deep satisfaction and high appreciation the outstanding contribution made to our work by our Director-General, Mr. Wyndham White.
When I try to look into the future, it is not as easy to restrain myself. But here too, I would not wish to speak about the intentions - nor the expectations - for the years ahead. That important task must be left to the delegates here assembled and, even more so, to the Ministers who will join us towards the end of the session. We shall await their authoritative guidance. Meanwhile, may I request you to allow me to share with you some of the thoughts that are passing through my mind?

In 1948, we began our work modestly, with a set of contractual obligations, and we embarked on multilateral negotiations so that the barriers that had been erected by each trading nation against the trade of other nations may be somewhat scaled down. And yet, this was a step full of significance: for in effect it set in motion a movement towards "internationalization" of commercial policy. By taking this step, it was admitted by participating governments that the trade policies they had followed in the pre-war years had failed to serve adequately their national interests and had at the same time aggravated the difficulties of other nations. It was also implicitly recognized that to avoid a repetition of that traumatic experience, it was essential to bring into being an international trading community, a community in which national trade policies could and would be harmonized with requirements of the world economy. The GATT thus gave expression to the increased awareness on the part of participating governments of economic inter-dependence amongst Member States. And it provided a reasonably adequate response to the desperate need - dictated by enlightened self-interest - for sincere co-operation between governments.

In the pursuit of the objectives proclaimed in the GATT, we have inevitably travelled beyond the mere observance of contractual obligations, and even beyond cold calculations of national interest or hard bargaining at the negotiating table. Governments have come to accept that peace, progress and prosperity require them to submit their trade policies to the searching scrutiny of Contracting Parties, to assist countries in difficulty in finding solutions to their problems, and generally to act in concert to deal with national and international problems. Procedures of consultations have become an important feature of GATT action - particularly on import quotas and licences, on agricultural policies, and on the justification for the maintenance of high protective duties and quantitative controls. It may be that the scope of these procedures needs to be widened or the effectiveness of their operation needs to be reinforced. The fact nevertheless remains that the habit of bringing national policies and problems in the trade field before the international community has grown; the problem of one is accepted to be the problem of all; and a joint effort is made to resolve specific problems in a manner which not only does the least harm to world trade as a whole, but impels imperceptibly the international community to greater and closer international co-operation in the interests of one and all.
National trade policies are no longer a matter of purely national concern, serving parochial interests, responding to sectoral pressures and demands, and ignoring the welfare of the world community for which, I believe, all nations now feel some responsibility. When faced with protectionist pressures from domestic producers, when contemplating external trade measures to deal with internal difficulties, our governments now think not only of their legal GATT obligations, but also of the violence that might be done to the spirit of the GATT, and of their moral and material obligations towards other countries. The approach to national problems is now much wider, more far-seeing, and takes into account external implications of internal measures. There is also a much keener appreciation at the national level of the difficulties of other nations and of the possible repercussions of these difficulties on the fortunes of one's own: in consequence, the consideration of the problems of others is more compassionate and more constructive.

This change in national attitudes has come about, gradually and imperceptibly, in the course of our meetings and consultations and as a result of clash and calculation of our respective interests. It is in this sense that our working methods have matured, our motivation is increasingly in tune with the inspiration of the founding fathers, and some of us feel we are now set to seek objectives surpassing those of twenty years ago.

On the occasion of the twentieth anniversary, it is idle for us to contemplate on what might have been the situation if the General Agreement had not been concluded and if the Contracting Parties had not sincerely tried to carry out their obligations under it. National tariffs would of course have stood at much higher levels; quantitative restrictions and prohibitions might have been more widely used; and international contacts to resolve consequential difficulties would most likely have been in tones of recrimination, punctuated with threats of retaliation: fortunately, that has been avoided and, as a result, world trade, liberated from many restraints, has expanded enormously from a level of $78 billion in 1953 to an estimated $200 billion in 1966. Overall, the volume of trade has increased in the same proportion: an increase of 150 per cent. The GATT can certainly claim some of the credit for having generated the atmosphere, elaborated the techniques, and brought about the conditions which permitted this great advance to take place and which make possible much bigger advances in ever-widening directions.

It is unfortunately true that despite the advance which has taken place, many problems remain unresolved and there are some sectors of international trade which have yet to experience the beneficial impact of the spirit underlying the objectives of the General Agreement and of the promising national attitudes of which I have spoken at some length this afternoon.
The value of world trade in manufactures increased by 240 per cent between 1953 and 1966, but the trade in primary products, including of course agricultural products, expanded only by 86 per cent. The movement towards trade liberalization has had the least effect in relation to agricultural products of the temperate zone. In fact, there are signs that new barriers are being constructed and old ones strengthened.

In the case of primary tropical products, the movement towards liberalization has been slow and halting, and the competition offered by substitutes originating in stronger economies has posed new threats. The efforts so far made to increase the global off-take of these products and to defend and improve the terms of trade in favour of their producers have been inadequate and largely unsuccessful.

The failure of the world trading community to match progress in the dismantling of barriers to trade in manufactures with the solution of the difficult problems that face the trade in primary products has caused widespread concern. The attempts made in the GATT and elsewhere to bring to bear on this sector of trade the new spirit of international co-operation have brought us up against non-economic forces traditionally opposed to economic change. I deem it my duty to appeal to contracting parties and to governments concerned to seek most earnestly ways and means to generate a climate favourable to such changes as are called for in the interest of the expansion of world trade and to adapt the attitudes of yesterday to the needs of tomorrow. The successful completion of this task may well provide a crucial test for the international community.

There is yet another unfinished task, another unresolved problem, which is even more acute and more urgent, on which I would wish to dwell for a few moments. All of us are painfully aware that the universally disliked division of our Member countries into two categories - the developed and the developing - is an unwelcome fact of life. I believe the founding fathers were at least dimly conscious of this fact when in the Preamble to the General Agreement they recognised that the relations of contracting parties "in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring ...... a large and steadily growing volume of real income and effective demand, (and) developing the full use of the resources of the world ....". In the text of the Agreement itself, it was recognised that unequals cannot be treated in all matters as equals, and consequently greater flexibility was provided for developing countries in the use of tariffs for protective and revenue purposes, and in respect of the imposition of import restrictions. Much more, however, needs to be done before this inequality can be redressed and this division can be obliterated. It will, in my judgment, be necessary for the General Agreement to provide for special
treatment in many sectors of commercial policy until the economies of all
the Member States are sufficiently strong to derive equitable advantage from
the provisions relating to equal treatment and equal opportunities.

The launching of the programme 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 to the General Agreement, are all
milestones in the desired direction. What is significant is not only the
growing concentration of attention on the removal of obstacles to the trade of
developing countries but also the increasing willingness to resort to other
measures designed to enable the developing countries to participate in,
contribute to and gain from the expansion of world trade in a measure
commensurate with their resources.

It was hoped at one time that the Kennedy Round of negotiations would
constitute yet another milestone in the progress towards our objectives in this
field. It would appear, however, from the joint statement tabled on behalf
of developing countries on 30 June 1967 at the concluding meeting of the
Trade Negotiations Committee that "the most important problems .......... still
remain unresolved". Circumstances had compelled me to deny myself the
privilege of participating in the heroic efforts which had been made at the
eleventh hour to save the negotiations. It is, however, clear that time
pressures prevented the negotiators from giving to the problem of developing
countries the attention they had all along intended to bestow on them. While
it may be possible for this session to take a decision on the request of the
developing countries for immediate implementation of concessions in their
favour, national wills and policies would need to be mobilized urgently so that
adequate action in respect of products of particular interest to developing
countries is not delayed. With rapid changes in modern technology, and the
inevitable concentration of these changes in the economies of developed
countries, and having regard to the growing gap between the economies of
developed and developing countries, is it conceivable that international
trading relations could be allowed to stand still at the point reached at the
end of the Kennedy Round? The development of a new momentum to provide
satisfactory solutions for the difficulties developing countries face in the
commercial field constitutes an urgent task to which the Contracting Parties
will, I am confident, devote their best attention in the coming weeks.

In this connexion, the Secretary-General of the United Nations called
attention in another forum to what he described as the New Delhi Round. It is
a happy augury that some of the ideas which are contained in the Charter of
Algiers and which will be taken up in UNCTAD II next year were first exposed
to the international community in the discussions that took place in this forum.

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As far back as May 1963, the Ministers of the Contracting Parties reached some helpful conclusions on tariff concessions and improved access and even agreed on the need to explore "other positive measures" for stimulating the trade earnings of developing countries. Included among these measures was the question of preferences by developed countries for the exports of developing countries. At the same time a Programme of Action was drawn up and an Action Committee appointed to implement it. And yet, the exploration by Contracting Parties in regard to the feasibility of a scheme of preferences still has to make concrete progress. It is for the delegations at this meeting to consider whether, on this particular issue, there is anything useful that can be done at this session, in the light of the work that is going on elsewhere, to further the matter.

As developed countries dismantle the obstacles to the exports of developing countries, the importance of promotional and marketing skills to enable developing countries to take advantage of new trading opportunities will increase. During the three and a half years of its existence, the GATT Trade Centre has come to perform a key function in this area. The Contracting Parties have before them proposals to make it possible for the GATT and UNCTAD to combine their resources and experience to operate a Joint Trade Centre, assisted on a broader basis, from the United Nations technical assistance funds. The adoption of these proposals by the Contracting Parties and by appropriate United Nations bodies is expected to lay the foundations for constructive co-operation between the two organizations.

It is only right and proper that the less-developed contracting parties should be able to concert measures for mutual assistance in the commercial field. In this context the efforts to establish multi-nation markets and to eliminate or reduce on the widest possible basis barriers that restrict their mutual trade assume great significance. It would probably be the wish of the delegates assembled here to encourage and support the speedy fulfilment of these efforts. In this field too, the GATT and UNCTAD may find it worthwhile to explore possibilities for joint action.

The work on which the founding fathers set out twenty years ago is far from complete. Over these two decades substantial progress has been made towards the creation of a world trading community. With the completion of the Kennedy Round, the stage has been set for a further expansion of the trade of industrial nations, more particularly in industrial products. But the more basic, hence the more intractable, problems of development on which the United Nations desired to focus attention during the development decade have so far defied practical solution. The sectors and areas in which further work remains to
be done are easily identifiable and it is hardly necessary for me to emphasize that the majority of the Members of our organization are vitally interested in these areas. While on the occasion of our twentieth anniversary it may be legitimate for us to feel a sense of pride in our accomplishments, it is incumbent on us to renew, during the course of this session, our faith in the objectives of the General Agreement and to pledge ourselves anew to make determined efforts to mould commercial policies to developmental needs.

In opening this session, I warmly welcome the representatives of Switzerland, Yugoslavia, the Republic of Korea, Guyana, Barbados, Argentina and Poland, whose Governments have recently adhered to the GATT. We expect the accession of Iceland and Ireland by the end of the year. These new Members will strengthen our organization. We trust they will bring their problems to the GATT and we hope that as a result their trade will expand and prosper.

The accession of Poland is an event of special significance. Yet another link has thus been forged between market economies and a centrally-planned economy and yet another step has thus been taken towards the creation of a world trading community.

The number of contracting parties, beginning with twenty-three, will have risen, in twenty years, to seventy six. The continuing increase in the membership of our organization and the growing interest shown by many other governments in sending observers to our meetings demonstrate the confidence of trading nations in the GATT as a prime factor in their several and joint efforts to expand international trade. Let us turn to our agenda and take counsel with one another to launch such initiatives as would help to foster and fortify their confidence.