OPENING STATEMENT BY THE CHAIRMAN

It is indeed a privilege and an honour on the opening of this twenty-fifth session of the Contracting Parties to welcome our new Director-General.

During the past twelve months we have witnessed serious situations in a number of countries. Fortunately the repercussions on trade and trade policies have not had as profound consequences as it might have been feared. Some contracting parties have felt compelled to take exceptional short-term measures, but pressures to revert to national protectionism have largely been resisted. GATT has exerted, and must continue to exert, its influence to prevent an erosion of past achievements. We have in this organization a forum where countries can obtain sympathetic understanding of their problems and where the interdependence which exists within the international trading community can be taken into account. This contributes to a careful and restrained approach by any government which feels compelled to introduce provisional restrictive measures, and contributes also to a balanced reaction by other governments to such measures.

The twenty-fourth session marked a milestone in the activities of the GATT. We then had an opportunity to look back on our achievements during the past twenty years.

A series of negotiations had resulted in substantial liberalization of world trade. The climax was reached by the successful outcome of the Kennedy Round - the most comprehensive and far-reaching trade negotiation ever undertaken - by many regarded as having been achieved only through a miracle.

However, it was felt that it did not suffice to rest on one's laurels. In parallel with the implementation of the Kennedy Round results, we agreed upon the immediate tasks ahead of us. These tasks are duly reflected in our work programme.

The situation is not very different today from what it was a year ago. Although the first stage of the tariff reductions negotiated now is in force, most of the results expected from the Kennedy Round remain to be implemented, and we have only made a modest start on our work programme. To ensure the full implementation of the Kennedy Round and to pursue our activities within our work programme remain our principal tasks.
There are some elements in the prevailing situation which call for close attention. There still exist important causes for dislocation in international trade relations. A significant task for contracting parties in this connexion is to confront and to contain problems and not to lose what has been gained nor endanger the longer-term objective. This requires willingness on the part of governments to pursue lines of action which can obtain understanding by other contracting parties so that neither the progress painfully achieved is disrupted, nor further development towards liberalization of world trade is being prejudiced.

At the present moment it seems hardly possible to pass judgment on regional developments in the various parts of the world. But GATT and the Contracting Parties should carefully follow developments and be prepared to consider how the General Agreement as the contractual basis for our co-operation could assert its authority.

We now know the results of the elections in the United States. With all due respect to other contracting parties, we are well aware how international trade is influenced by the policies pursued by that particular contracting party. Suffice to say that the common objective of contracting parties is to work for liberalization of world trade. This is set out clearly in the preamble to the General Agreement. It is a responsibility falling upon governments to pursue policies which make it possible for the international trading community to implement this objective.

We have to admit that uncertainty and disquiet exist. Policies of self-sufficiency or elements thereof can lead to serious disturbances in world trade and thus also have detrimental repercussions for those who introduce such policies. I feel confident that through combined efforts we shall prove able to continue to make progress in accordance with our basic interests, for the benefit of each one of us and of the international community at large.

As to this session, we will have the opportunity to examine more in detail the work programme adopted at our last session. Reports by committees established will be submitted. However, I should like to comment on a few of the principal points in the work before us. I presume our Director-General will elaborate further in the statement which he is going to make later this week.

The Committee on Trade in Industrial Products has begun its work on the tariff situation after the Kennedy Round and on the inventory of non-tariff and para-tariff barriers. Concrete discussions have been initiated within the Committee, in order to pave the way for future negotiations leading to new advances in the trade liberalization. It is essential that the Contracting Parties participate actively and constructively in the work of this Committee. In this connexion I should also like to emphasize the important work going on in the Working Party on Border Tax Adjustments.

Protectionism and its effects on trade in agricultural products has long been a matter of concern. Progress towards solutions to problems in this important area will require not only a major effort, but also skill, patience and ingenuity.
The Agricultural Committee has now taken up the challenge. The need for further advances is keenly felt in many quarters, and I sincerely hope that our deliberations will contribute to this end. In addition to the general complex of measures and policies which restrict trade, there are certain special situations that call for urgent remedies. Pursuant to the agreement reached at our last session, consultations on trade in dairy products and poultry are taking place. This sector approach should prove helpful in finding solutions to the longer-term problems of agricultural trade.

The trading opportunities of developing countries remain in the forefront of our concern, and constitute an important element of the work programme. It may be a matter of satisfaction - although modest - that some developed countries have found it possible to implement in one step the Kennedy Round tariff concessions for a range of products of particular export interest to the developing countries. But major obstacles to an expansion of these countries' trade still remain. The responsibility for further progress falls upon all contracting parties. In this connexion I should like to praise the efforts being made by developing countries themselves, within the Trade Negotiations Committee for Developing Countries, to enlarge the exchange of goods among each other. Developing countries which are not contracting parties to GATT, have also been invited to join this Committee, and it is a source of inspiration that they are participating in increasing numbers. These endeavours could bring direct benefits to the participating countries - and thus indirectly to the trading community at large.

The tasks entrusted to the International Trade Centre as a joint venture of GATT and UNCTAD have general support. Needless to say that we as contracting parties take pride in the results achieved by the Centre. I think I express the feeling of all of us in recalling the importance of the Centre's activities.

Although the question of preferential treatment for exports from developing countries does not appear on the agenda for this session, it remains in our mind as an important element in the prevailing situation and a matter which the Contracting Parties will be called upon to deal with at a later stage. However, I don't think it is for me to comment upon this subject now.

Residual import restrictions is an important item on our agenda. These restrictions affect both industrial and agricultural sectors of trade and are serious impediments to the exports of developed as well as developing countries. A concrete proposal has been put forward to the Contracting Parties, and I hope that our deliberations will bring us further towards a satisfactory solution.

The number of countries adhering to GATT continues to grow. It is known that other countries in various parts of the world are seriously studying the advantages of joining us. We hope they will take affirmative decisions and soon assist in our endeavours to work for liberalization of trade.
Late developments in world politics have perhaps been inducive to push trade items somewhat into the background. Problems of a different character seem to hit the headlines. GATT's existence so far has been marked by silent diplomacy and to outsiders by nearly mystic expertise. The grand finale of the Kennedy Round was an only and perhaps healthy exception. Without underestimating the importance of events relating to other aspects of human life, steady progress in the field covered by GATT must be maintained. The prevailing conditions in world trade remain decisive factors not only for our material well-being, but also for the political climate which reigns on our globe.