I am pleased to have the opportunity of addressing this Conference as Director-General of the General Agreement on Tariffs and Trade.

The convening of the Conference, and the attendance of so many distinguished representatives, testify to the growing international awareness and recognition of the great problems confronting the world community in the field of human environment.

These problems are relevant to most areas of human activity. Their satisfactory and early resolution is vital to the quality of life in future generations. The Conference is indeed a historic occasion.

Certain aspects of this matter are of concern to GATT and fall within its particular field of competence, for it has to be assumed that, in the years ahead, governments are likely to adopt many measures related to improvement of the environment that could have effects on international trading conditions. These implications should be recognized and taken fully into account.
For example, control of pollution will often involve great financial costs, not even distributed but varying greatly from country to country, from industry to industry and from process to process, and there will be the temptation to pass these costs on to others, including foreign suppliers. Similarly, existing patterns of demand for goods might well be modified in view of the amount of pollution potential inherent in certain consumption patterns, and this tendency could increase as time passes. To take a third and different example: when costs of safeguarding the environment begin to enter into production costs, a considerable readjustment of production patterns as between nations might be called for in due course and could give rise to difficulties and frictions that might, if not carefully handled, work counter to trade expansion.

To look at the matter from the opposite point of view, failure by a country to take necessary measures in the environmental field could also have implications for international trade and trade policy. The question might easily arise, for example, as to whether, if the environment of other countries were polluted by this lack of action, they would not be justified in taking action in the trade policy field against the offending country.

The examples I have given indicate the sort of things to which we shall have to be directing our thoughts and attention from now on.

What is important from GATT's point of view is that where measures are taken in the environmental field - whether on the local, national, regional or international plane - there will be need to ensure that these measures are not in effect used for protective purposes. This is the aspect in which GATT is directly concerned, both since its main purpose is to secure, through negotiation, the reduction of trade barriers and because of the obligations of GATT member governments in the field of trade policy under the General Agreement.

Against the background of this GATT interest, we were pleased to respond to Mr. Strong's invitation to participate in the preparatory work for this Conference and to survey, in a paper included in the basic documentation for the Conference, certain issues which anti-pollution measures might raise for international trade.

As the foreword to the GATT paper points out, if suitable common principles can be evolved for pollution control measures, taking account of the special situation of the developing countries, governments should be able to act to protect and improve the environment while continuing to foster the growth of world trade. On the contrary, if this opportunity is let slip, there is a real danger that in attempting to combat pollution governments may - possibly unwittingly - introduce new barriers to trade.

For this reason I welcome, for example, the references in the proposed Action Plan that is before you to the need to avoid the creation of new barriers to international trade as a way of meeting the costs of pollution control; the need to avoid concern for the environment becoming a pretext for discriminatory trade practices or reduced access to markets, and the need to consult when national standards or regulations may create new trade barriers.
Any action by GATT in the environmental field, Mr. Chairman, will remain strictly within the limits of its competence and responsibilities. In this connexion I might mention that recently, as a measure of precaution, machinery has been established in GATT that can be called upon by any GATT member government whenever it considers there is need for an examination of any specific matters relevant to the trade policy aspects of anti-pollution measures. This piece of special machinery in GATT, which is also referred to in the proposed Action Plan, represents a practical contribution to the great enterprise in the field of human environment that is under way. It has purposely been put in place early. It is available when the need arises. It is designed to permit governments to consult – hopefully in good time – so as to meet any legitimate concerns, taking into account the particular problems of developing countries, before policies become entrenched in national legislation and therefore much more difficult to change. We have had ample experience in the GATT of the difficulties involved in trying to remove or modify measures entrenched in this way in national legislation.

In the light of this experience, the GATT member governments have taken the necessary steps to ensure that, in this vital field of protection of the environment, they are able, as and if the need arises, to face up to any situation which might threaten to disturb world trade.

I would like, Mr. Chairman, to conclude with a general observation.

The comparatively recent awareness and preoccupation with environment problems means that the scene is still relatively free of existing disparate or conflicting local, national and regional regulations. In other words, the international community finds itself in the unusual position of being able to build without first having to clear the ground.

The remarkably thorough preparation of this Conference justifies the expectation that the opportunity that now presents itself – and which may not be repeated – will not be missed. It is in this expectation that I wish the Conference the fullest success in its vital undertaking.