ADDRESS BY MR. OLIVIER LONG, DIRECTOR-GENERAL,
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I greatly welcome the opportunity to address this distinguished body and
to make some observations relevant to the activities of the General Agreement
on Tariffs and Trade.

Looking back over the period since I had the privilege of addressing this
Council twelve months ago, I would recall in particular the meeting of Ministers
at Tokyo in September 1973 at which the Declaration, which launched the multi­
lateral trade negotiations within the framework of GATT, was unanimously adopted
by the representatives of 102 nations.

The Tokyo Declaration was a political act of considerable significance.
It confirmed the will and desire of governments to seek solutions to the
problems that arise in international trade relations through co-operation and
negotiation. Its significance has, in my view, been heightened, and certainly
not reduced, by the economic developments of the recent past.

A pertinent question, of course, now is: what will be the rôle of the
multilateral trade negotiations in the present economic situation and what
contribution can they bring to a solution of the existing problems and to a
lessening of frictions in international economic relations?
There is no need for me to dwell upon the disquieting developments that have increasingly occurred on the world economic scene over recent years and the difficulties and strains that these have created for the majority of national economies and for international economic relations. Distortions in the world economy resulting, among other things, from monetary disturbances, from high rates of inflation, from shortages of certain essential commodities and from consequential balance-of-payments difficulties, have created serious problems for all countries and many of the most seriously affected developing countries face economic collapse.

These developments have been, and continue to be, the subject of considerable international discussion. They confront international organizations and the world community generally with a critical challenge. Failure to deal satisfactorily with the situation would create real risks - and even the near certainty - of increasing disorder in international economic relations.

It seems clear to me - and I believe this to be also the opinion of many governments - that the multilateral trade negotiations represent one of the effective means of dealing with the serious risks that result from the present disturbed state of the world economy. I might, as one example, mention in this connexion the 13 June communiqué of the IMF Committee of Twenty, in which members urged that the multilateral trade negotiations in the framework of GATT should continue to be regarded as a matter of priority.

In present conditions, an essential purpose of the negotiations is to achieve the maintenance and improvement of the world trading system and to ensure the avoidance of the great damage to international trade relations that would result if countries were tempted to go their own way and retreat into economic nationalism.

A policy of inactivity and laisser-aller would be dangerous. The negotiations offer the opportunity for the issues confronting all the trading nations to be taken up and negotiated upon within a multilateral framework. There is the chance to counter protectionist pressures and to contribute to the attack on inflation.

It is sometimes said that some of the problems concern sectors or domestic interests of such a delicate or sensitive character that their successful resolution in a multilateral negotiating framework must be highly doubtful. In this context I believe that considerable encouragement is to be derived from the successful negotiation in the GATT toward the end of last year of the International Textiles Arrangement. It will certainly not be disputed that the textiles sector is one of the most sensitive in international industrial relations. Difficulties in this sector have given rise to considerable frictions and confrontation between countries in recent years and have
represented a serious threat to trade relations, and in some cases to political relations. The fact that it proved possible to reach and to implement an arrangement, in which both developed and developing countries are participating with the aim of liberalizing and increasing their trade in textiles, at a time of serious international economic crisis, represents a good augury for the future. It surely offers solid evidence that no trade problem is incapable of solution if the necessary political will, courage, and degree of international co-operation are present.

As for the developing countries in particular, there is little doubt as to their positive interest in, and constructive approach to, the multilateral trade negotiations and the considerable hopes they place on the solving of their problems and the furthering of their trade interests in the course of the negotiations. In this connexion I believe it is timely to recall some of the commitments relating to the developing countries, solemnly entered into by governments in the Tokyo Declaration.

An essential aim of the negotiations is stated to be to secure additional benefits for the international trade of developing countries so as to achieve - in the words of the Tokyo Declaration - "a substantial increase in their foreign exchange earnings, the diversification of their exports, the acceleration of the rate of growth of their trade, ... an improvement in the possibilities for these countries to participate in the expansion of world trade, and a better balance as between developed and developing countries in the sharing of the advantages resulting from this expansion." These aims are to be brought about through "a substantial improvement in the conditions of access for the products of interest to the developing countries and, wherever appropriate, measures designed to attain stable, equitable and remunerative prices for primary products".

The Declaration, throughout its text, places particular emphasis on the special problems and the interests of the developing countries, such as the treatment of tropical products as a special and priority sector; the recognition of the importance of maintaining and improving the GSP and of applying differential measures to developing countries to provide them with special and more favourable treatment; the statement that developed countries do not expect reciprocity for commitments made by them in favour of developing countries; and the mention of special procedures for negotiations between developed and developing countries, to mention a few examples.

In their preparations for the multilateral trade negotiations the developing countries can if they so desire call on the full facilities of the GATT secretariat. A large number of developing countries have made use of these
facilities. In this context I might also mention that we are at the present time conducting in the GATT a course, specifically devoted to the negotiations, which is being attended by senior officials with responsibilities in the formulation and conduct of commercial policy from developing countries.

In my address to this Council last year I referred to the many aspects of economic development of which trade, which is GATT's concern, is only one. Recent developments have thrown up urgent additional basic problems outside the trade field to which I am sure this Council and the international organizations concerned will be devoting their most urgent efforts. For our part we intend to press forward, in the multilateral trade negotiations, with the vital tasks that lie ahead. It is my conviction that a successful outcome to the negotiations and, in particular, the implementation of the commitments in favour of developing countries embodied in the Tokyo Declaration, will represent an important contribution to the fulfilment of the Programme of Action recently adopted at the Special Session of the General Assembly.

Since the adoption of the Tokyo Declaration in September 1973, the preparations for the multilateral trade negotiations have been moving forward well and the technical base for the substantive engagement of the negotiations is now practically completed. The Trade Negotiations Committee, charged with drawing up detailed negotiating plans and, in due course, with overseeing their implementation, has been at work since October 1973 and at the moment some 90 governments, of which some two-thirds are developing countries, are participating in its activities.

We now look forward to all participants in the negotiations being soon equipped with the necessary negotiating authority required by their constitutional procedures and to the substantive engagement of the negotiations. This will permit the great opportunities the negotiations offer for strengthening the multilateral trading system, for promoting world trade and for contributing to a reversal of the present unsatisfactory trend of the international economy, to be fully seized.

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