STATEMENT BY MR. OLIVIER LONG, DIRECTOR-GENERAL OF GATT
TO THE 25TH CONGRESS OF THE INTERNATIONAL CHAMBER OF COMMERCE
MADRID, 16 JUNE 1975

It is for me a privilege and a great pleasure to present my heartfelt good wishes on the occasion of your 25th Congress. I should like to take this opportunity to underline the importance of the support that the International Chamber of Commerce, because of its influential rôle, has always given to the work undertaken in GATT toward the expansion and improvement of world trade.

You are meeting at a particularly critical time of the post-war economic situation - critical because of both the complexity and the seriousness of the problems at hand.

It is necessary to overcome the recession and at the same time to carry on the fight against inflation. To this end, sound monetary relations must be restored, and the efforts of those concerned must be supported. Action is needed on problems of economic structure, bearing in mind, for example, that present unemployment is not solely attributable to the recession, but also to structural factors. In addition furthermore, and this is of prime importance, developing countries must be afforded a larger and better place in world economic activity so that they may enjoy a much larger share of the resulting benefits. This implies, inter alia, encouraging substantially increased transfers of resources to these countries, and accepting certain attendant sacrifices.

This is an impressive list of tasks, all the more so because they have to be undertaken or carried on at a time when the volume of world trade has levelled off and is even declining, for the first time since the end of the war.
Your 25th Congress is focused on the working of the market economy, which over the years has contributed greatly to world economic progress. It can continue to do so provided its benefits are increasingly accessible to all countries, including of course, and above all, those whose needs are greatest and most pressing.

In this connexion, since the multilateral trade negotiations now going on in the framework of GATT represent the most ambitious effort that the trading nations have yet undertaken to open up world markets and adapt trade relations to the needs of today and the years to come, it seems appropriate for me to give you a brief report on progress in Geneva.

The International Chamber of Commerce has played a leading part in persuading governments of the need for these negotiations. Over the years, it has contributed greatly to international understanding of the various obstacles and distortions that prevent trade from making its full contribution to higher world living standards. I am glad, therefore, to be able to see today that in 1975 your efforts, joined with those of GATT, are beginning to bear fruit. The multilateral trade negotiations are now fully engaged.

In fact, substantive negotiations opened in February of this year. Being at last equipped to engage negotiations, the ninety participating governments have resolutely addressed themselves to all the trade problems before them. They have allocated these problems among six negotiating groups, which are already at work, each dealing with one of the major areas of the undertaking. Briefly, these areas are the following: First of all, tariffs. Next, non-tariff measures - and the International Chamber of Commerce has contributed greatly to showing how much they hinder trade, because of their diversity and their complexity. Then of course, agriculture with all its serious production and trade policy problems. Next, the possibilities of negotiations focused on individual product sectors are being explored. Possible safeguard measures to assist industries at risk are being examined. And lastly, tropical products are being dealt with as a matter of priority because of their special interest for developing countries.

In all these areas, the initial discussions are well under way and the outlook is therefore promising. After long preparations and a difficult period of getting under way, the negotiations have now reached their point of no return.

But this is only a beginning and the months ahead will not be easy. In an undertaking of such magnitude there are, as you well know, large trade interests at stake. Many obstacles have to be overcome; there are continuing divergences of view even on how some of the problems should be resolved. We shall certainly encounter occasional crises, and you will from time to time read alarmist reports in the press about "negotiating deadlock in Geneva". Much persistence and determination will be needed to bring the negotiations to a successful conclusion.

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In this respect it is fortunate that in the face of the present downturn in trade, and of recession and increased unemployment at home, governments have shown themselves more determined than ever to pursue the multilateral trade negotiations.

This is a most encouraging and enlightened response. It is based on their knowledge that the very fact that the negotiations are in progress reinforces all governments in their ability to withstand protectionist pressures, and thus to keep world markets open for trade, and it confirms that they have not lost sight, either, of the longer-run advantages that the negotiations can offer — a fresh stimulus to the growth of trade, with a view to the promotion of economic development; a contribution to the fight against inflation; a greater fluidity in the international adjustment process; solutions for various particular difficulties which now exacerbate international relations; and new opportunities for the developing countries to foster their economic growth.

The determination of governments to pursue the negotiations is, I would repeat, extremely encouraging. But it is not, alone, enough to ensure that the negotiations will succeed. It is essential that the business community also continue to give them its full and active support.

On the national level, this means that each government should not only be kept informed of the objectives and preoccupations of its own business community, but should also be encouraged to pursue its negotiating endeavours. On the international level, and particularly in this outstanding forum, the International Chamber of Commerce, this means that businessmen should continue to make clear, not only to one another but to the world community as a whole, that they are opposed to any turning-back to the divided markets of earlier years, that they remain dedicated to further trade liberalization and an open international economy, so that trade can continue to serve as the motor of economic growth and foster a renewed prosperity better shared by all the peoples of the world.

The negotiators who in GATT are devoting their best endeavours to this difficult but highly promising undertaking need your help. I, for one, have no doubt that it will be forthcoming.