If we look back over the twelve months since the last session of the Contracting Parties, and then ahead into the 1980s, we can see cause for some concern, but also, I think, for an equally reasonable measure of encouragement and optimism in regard to the development of international trade.

The world economy has been bedevilled, and looks as if it will remain so in the near future, by persistent inflation, unemployment, monetary turmoil and sluggish growth. And these are problems of relative affluence, compared to those faced by millions of people around the world who are up against starvation and extreme poverty. Protectionist forces, too, are as ubiquitous and strong as ever, fuelling inflation wherever they are given rein. Also giving cause for concern is the continuing tension which exists in North-South economic and trade relations: a tension which leads to sterile confrontations unless harnessed by practical work in such bodies as GATT into the constructive energy of co-operation.

Nevertheless, the factors on the side of optimism are just as impressive. Encouragement can be drawn from the increasing recognition - among governments anyway, if not at the broad level of public opinion - of the interdependence of all nations, whether industrialized or developing. One of the most striking trends over the past few years has been the way in which sustained imports by developing countries have contributed to maintaining the volume growth of world trade, despite slackening demand in the industrialized countries. It is worthwhile nowadays to remind people of a few facts to illustrate this interdependence. Last year, for example, Western European
countries sold twice as many manufactures to developing nations as they sold to Japan and North America put together; similarly, Japan exported more manufactures to the developing countries than it exported to North America and Western Europe combined; and the United States and Canada sold 32 per cent of their exports to the developing countries, compared to 26 per cent taken by Japan and Western Europe. These are striking facts. But if the developing countries are to continue to provide such a stimulus to world trade, they must be enabled to pay for their imports by finding adequate access for their exports in the markets of the industrialized nations.

New opportunities for further opening up world markets are provided by the agreements which have resulted from the Tokyo Round of multilateral trade negotiations in GATT. These marathon negotiations are now virtually completed in all fundamental respects, except for the issue of safeguards; all sides recognize this as an issue of major importance, and they share a determination to continue negotiations and find an early solution. The tariff reductions, the codes regulating the use of non-tariff measures, the agreements on agricultural trade, and the agreements providing an improved legal framework for the conduct of world trade, all undoubtedly constitute substantial achievements. One of the most practical and immediate ways of overcoming the forces of protectionism, and of promoting efforts at economic adjustment, is surely to implement the results of the Tokyo Round quickly and vigorously, to monitor their implementation, and to make full use of GATT as a negotiating forum to see that the agreements become a permanent catalyst for liberalization in the world trading system.

The Tokyo Round agreements, if implemented with continuous determination, should also promote efforts, worldwide, towards adjustment. The growth and prosperity of each nation in the 1980s will depend very much on adjustment of the overall economy to the growing impact of developing countries on the world market, to higher energy costs and to new technologies.

And one should not see world trade only in North-South terms. There is great potential for increasing trade among developing countries, as experience of the GATT Protocol has shown over the past six years. It is encouraging to see that only in the last few weeks the resolve has strengthened among very many developing countries to undertake a new initiative aimed at further increasing trade among them.

We shall consider the report on the work of the Council over the past year, which shows how the Contracting Parties have used GATT as an instrument and a negotiating forum in which to examine, and work towards settling, trade policy problems in many specific areas outside the field of the Tokyo Round.

I also look forward to discussion of how we can move forward on trade issues other than Safeguards which were not settled to general satisfaction in the Tokyo Round.
Concluding these introductory remarks, I should like to mention in particular the future of the General Agreement and the activities of the Contracting Parties in coming years. Without doubt, there will be changes in the structure and operating methods of GATT as a consequence of the new instruments and mechanisms of surveillance and negotiation. Accordingly, there will have to be concerted action in order to maintain within this growing complexity the necessary harmony and unity to ensure adequate participation by all the parties in the conduct of increasingly liberalized and equitable trade. This will require not only strict and fair implementation of the commitments entered into, but also a climate and collective spirit of mutual co-operation conducive to strengthening still more the beneficial effects of international trade relations.

Thank you. I now declare open the Thirty-Fifth Session of the Contracting Parties.