I would like to welcome you all to this 36th session of GATT's Contracting Parties, and to say a few words of introduction.

We are meeting for three basic purposes: to review recent developments in world trade; to take stock of our efforts to respond through GATT to these events; and to address ourselves to our continuing cooperation in the years ahead in the light of the work programme adopted at our last session.

1980 has been a year of significant change for GATT. It has seen the extension and reinforcement of our system of mutual rights and obligations, through the implementation of the results of the Tokyo Round and the increasing acceptance of the Tokyo Round codes. And it has brought change also in our leadership. We have confronted squarely and practically the international problems which have come before GATT in the past twelve months; the 13 trade disputes brought to GATT for settlement, and listed in the report of the Council before you, provide tangible evidence of that.

Change in leadership is momentous for any institution, and particularly so for GATT, which has been fortunate in its leadership over the past 32 years of its existence. In that long period, it has only had one such change before, when Ambassador Olivier Long took over from Sir Eric Wyndham White in 1968.
Earlier this year we had cause, sadly, to recall, on the occasion of the death of Sir Eric, the enormous contribution which he made to the establishment of GATT. His strong and imaginative personality over a period of two decades helped to create a solid basis on which GATT has been able to continue to develop in response to the international trade challenges of more recent years.

Ambassador Long took over the helm in 1968 and GATT was very fortunate to have a man of such high calibre to take it through the difficult decade of the 1970's, including most notably the Tokyo Round of multilateral trade negotiations, and to bring about the more effective participation of all Contracting Parties in GATT's work. I think we should use the opportunity of this session of the Contracting Parties to place on record our gratitude for his services, and therefore propose that we agree to establish a separate item on the agenda for this meeting so that tributes to him can be made at that point. I shall reserve the further comments I have to make about Mr. Long's leadership until that point on our agenda is reached.

There is no need for me to express at length the confidence with which we view Ambassador Dunkel's assumption of the post of Director-General: this was strikingly shown at the special session of the Contracting Parties in April when we made him our unanimous choice.

The Tokyo Round agreements, embodying the results of the multilateral trade negotiations, were brought into the GATT framework at the annual session last November. The necessary new institutions and procedures were - or are being - established for putting these agreements into practice; we recognized what had been achieved - and what had not. All the Tokyo Round agreements (except those on customs valuation and government procurement, which are expected to take effect on 1st January next year) have now entered into force, and we have received for this session a report from each of the committees and councils set up to administer them. Then there is the report of the Safeguards Committee to the Council as a reminder that this major gap in the Tokyo Round results has to be filled. While the results of the previous six rounds of multilateral trade negotiations were largely "self-executing" in that they mostly concerned automatic, phased reductions of tariffs, it is clear that we are now in an era of permanent interpretation and negotiation in implementing not only the Tokyo Round agreements, but also any future tariff, non-tariff or other agreements that can be worked out.

We also have in front of us the results of discussions in the Committee on Trade and Development and the Consultative Group of 18 on developments in world trade and on GATT's future work programme, including the need to define exactly what GATT's rôle should be in the relationship between trade policy and structural adjustment. As far as the vexed subject of protectionism is concerned, there is no argument about the fact that the pressures remain very strong; some would maintain that the line of resistance is being held quite well, while others would dispute this. It is easy to agree upon the twin propositions that protectionism needs to be resisted, and that

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adjustment needs to take place. There is less agreement on the means of reaching these goals. Unfortunately, advice is always easier to give than to act upon, and I am sure we all recognize that every country needs politicians, businessmen, labour leaders, farmers, consumer groups and journalists with great energy and persuasive abilities on the side of liberal trade if protectionist forces are to be kept at bay, and if the great economic and social problems of adjustment are to be overcome.

One encouraging aspect of GATT's work in recent years has been the increasing rôle played by the developing countries which make up more than two thirds of our membership. Their readiness to promote their specific trade interests within GATT was demonstrated clearly in the Tokyo Round negotiations. It augurs well for the future of GATT that many of these countries have accepted agreements resulting from the Tokyo Round, with the aim of gaining the maximum trade benefit from those codes, while continuing to push for further progress on other fronts such as the issues of safeguards and quantitative restrictions.

The rôle of the Committee on Trade and Development has been strengthened by the creation this year of two sub-committees, one of which has the task of examining protective measures taken against imports from developing countries. The report of the Committee on Trade and Development reflects the discussions in this sub-committee, and provides further evidence that GATT is moving practically to meet the needs of its member States. You will also hear, later in the session, a report on the activities of the sub-committee established to consider the trade problems of the least-developed countries. And on other fronts, the trade interests of the developing countries are being promoted in an equally direct and practical fashion by the continuing efforts of the secretariat's Technical Cooperation Division, by the commercial policy training courses, and by the International Trade Centre operated jointly with UNCTAD.

We must all be very much aware that in the present situation of the world economy, many developing countries find themselves in grave, and increasing, difficulties. To overcome these difficulties will require the active support and understanding of all their trading partners.

This has been a year of significant activity for GATT in the agricultural sector. The Tokyo Round agreements on meat and dairy products have entered into force. A large number of specific issues concerning agricultural products are being dealt with in accordance with the normal GATT procedures. Furthermore, the Director-General has been pursuing, in accordance with the decision we took at our session last year, intensive consultations on the question of developing cooperation in the agricultural sector. He will be reporting on the result of those consultations at the present meeting.
The report from the Council provides, as always, a solid basis for discussion on the other continuing work of GATT. The large number of issues detailed in this report, and especially the record number of cases referred to panels of conciliation, bears witness not only to the severe trading difficulties facing countries of every economic and political description around the globe, but also to the welcome readiness of GATT member countries to make use of the newly-revised procedures for dispute settlement and to seek a resolution of their problems through GATT.

One thing that cannot be stressed too often is that GATT is above all a contract, as well as a negotiating forum.

The fact that we have traditionally found decisions by consensus is of great practical significance, making it more likely that the decisions on how to resolve disputes and other trade problems will in fact be carried out, and with effect. It is precisely because of the contractual nature of GATT that respect for our commonly-agreed rules, and use of our commonly-agreed procedures, is vital. If nations are seen to break these rules or ignore these procedures, or follow them only when they think it is in their interest to do so, then the very foundations of our relationship — mutual trust, compromise and cooperation — will be eroded to the detriment of us all.

This is a serious note of caution. At the same time I would like to note that our contract is considered by an increasing number of countries as a unique measure of protection and promotion of their trade interests, and its procedures as the instrument for securing them. GATT has always succeeded best by living up to its traditions of realism, cooperation, pragmatism and brevity; therefore I shall finish by appealing to you for a demonstration of these traditions over the next few days, and indeed over the next year. In today's world, this kind of approach is sorely needed, and I am confident that we will adhere to it. It is all the more necessary to maintain these traditions when GATT and world trade relations have just entered into a new, challenging, but also difficult era.

Thank you. I now declare open the thirty-sixth session of the Contracting Parties.

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