Address by the Hon. Willard Thorp, U.S. Under Secretary of State, given at the opening of the Sixth Session

After the carefully considered remarks with which you opened the meeting and now the profound statement by Mr. Howe, I am not sure that I can make any significant addition to this preliminary discussion. But I should like to say that while this is the first time I have attended a session of the Contracting Parties I do have a feeling of real intimacy with this group, some of whom I came to know in Torquay in connection with tariff negotiations. Beyond that I would point out that those who remain at home are in a sense often as active as those participating in these meetings, sometimes participating perhaps a little too much in affecting the general discussion. My Government has taken these meetings very seriously and, therefore, I have followed them consistently in great detail. Nevertheless, it is true that there is no substitute for actual attendance at a meeting; and I am looking forward to these deliberations with a chance to get directly a sense of direction and movement in this Organization, and I hope that I can contribute in ways that will be helpful. The fact that I am here means that I quite agree with the Chairman that the General Agreement is of such significance to all our countries that the sessions should serve more frequently as a meeting place for those bearing principal responsibility in our governments for important matters of trade policy.

It seems hardly necessary to say that the GATT is an important new element in international economic relations. It has already dealt with the tariffs which cover the bulk of world trade. It has dealt and is dealing with the many other types of trade barriers. It has provided a long needed international forum where we can settle commercial disputes between governments in accordance with agreed rules. I suppose most important of all it has brought greater understanding with respect to each other's trade problems.

I would not argue that GATT is a perfect instrument; it is not all that many of us have hoped for when the ITO project was initiated four years ago. Nevertheless, when we look at it in perspective and compare it with the pre-war years, as a result of GATT the progress that has been made in its field has been tremendous.

The difficulty, of course, which we all face as we consider trade problems is that international economic relations and trade problems are complicated and particularly the financial and commercial aspects are interlocked. Quite as important as the trade problems in this postwar period has been the balance of payments problems. At first the balance of payments problem in the world focused almost entirely upon the wide gap in payments in which my country was concerned, and certainly during the postwar period we can see a decided improvement in the United States' balance of payments situation towards the rest of the world. While that has gone on, it is true (over)
it is true that the problem is not solved and that difficulties are to be seen in the situation of many different countries. There are fresh financial problems which create new uncertainties. However, we have agreed in many different forums that we have a clear-cut objective, the ultimate elimination of payment and exchange restrictions, and that we will try to remove these restrictions as financial conditions permit. It is clear that unless we keep pushing toward this particular goal they may become permanent restrictions with the economic results which Mr. Howe so well described.

It is very important that the gains in trade practices and policies should not be lost and that we keep our ultimate objectives clearly before us. We must strive to live up to the principles we have accepted to the best of our ability. We must build, we must strengthen, and not be seriously discouraged because of temporary difficulties and setbacks. This means we must use ingenuity as well as persistence. We have to find new and additional ways of furthering our common objectives.

So far as my Government is concerned, this meeting is particularly significant because of the fact that we will consider new procedures for the financing and administration of the General Agreement and for carrying out new tariff negotiations. And if we can solve these two problems, it is our hope that the GATT can move forward ever stronger towards its basic objectives.