None of us who were present at the thirteenth session of the Contracting Parties can fail to recall the sense of optimism and purpose which characterized our work at that time. Many of us who have from time to time doubted whether the GATT would prove sufficiently dynamic to deal with the structural problems of international trade felt that our doubts had been dispelled as a result of the constructive and positive tone of the discussion of the Haberler report.

Our hopes found more concrete expression in the decision of the Contracting Parties to embark on the programme for trade expansion. However, my predecessor, in his closing remarks at the end of the session, wisely warned us that everything depended upon the manner in which governments addressed themselves to the elaboration and implementation of the programme.

Since the last session the three committees established to elaborate the programme have started on their work and we have before us their interim reports. It would not be appropriate for me at this stage to comment on the substance of these reports, but I would take this opportunity to remind the Contracting Parties that this was conceived as a co-ordinated programme, and that the responsibility for co-ordinating the work of the three committees rests upon the Contracting Parties themselves. This fact should, I think, be very much in the forefront of our minds when we address ourselves to the reports and, in particular, in laying down directives for future work. Above all, I would insist that we keep clearly in our minds that this programme is a unity, and if it is to yield the results for which we hope, we must press on energetically with all three branches of the work.

Since we were last met together the perspectives for international trade have brightened considerably. The threats of economic recession which then hung heavily over the horizon are beginning to disperse and the conditions are ripe for a further expansionary movement. The restoration of external convertibility of a number of important currencies provides both a reason and an opportunity for further progress in the elimination of import restrictions and, in particular, of their discriminatory application.
But the repercussions of the decline in the prices of primary commodities will still be felt for some time in some under-developed countries which once again have suffered a decline in their meagre currency resources and serious balance-of-payments difficulties. At the same time, industrial countries have benefited from this fall in prices and as a result the effects of the recession were not felt so severely and their balance-of-payments position has improved. However, it does not seem that the resulting advantages for industrialized countries have as yet been reflected in any appreciable increase in their foreign investments in under-developed countries such as could contribute to a restoration of a balance in their economies which had been jeopardized by the unfavourable evolution of world economic conditions, and could promote their industrialization and assist them in their difficult fight against inflation.

Also, since we last met, the institutions of the European Economic Community, which were then barely established, have begun to get in their stride, and we shall look forward, therefore, to that positive contribution to our work which the representatives of the Community have so often assured us it is their intention to provide. In particular, I hope that this will mean that after the full exchange of views which has taken place in consultations between certain contracting parties and the Six, we can now look forward to a settlement of the differences which are still outstanding.

During the interval since the last session there have also been careful and extensive consultations between the Federal Republic of Germany and a number of contracting parties which are affected by import restrictions maintained by that country. These consultations have been characterized by frankness and realism, and we have good reason to hope, therefore, that they have paved the way for a settlement of these problems on a generally acceptable basis.

It is a matter for satisfaction that we have on our agenda a number of requests to accede to the General Agreement or to become closely associated with the work of the Contracting Parties. This is the best evidence that could be found for the continued vitality and importance of our institution. In the intersessional period a working party has examined the request of Yugoslavia for association with the GATT, and we expect to be in a position at this session to conclude an arrangement with Yugoslavia. I would hope also that we can make a good start in establishing closer relations between the Contracting Parties and Poland. Finally, I think there will be general satisfaction that the Government of Israel has applied to accede to the General Agreement.

At our last session we were advised of the progress being made in Latin America in evolving plans for economic integration of that area. The Contracting Parties expressed their sympathy and support for constructive initiatives in this direction, and looked forward to
receiving more details from the Latin American countries in due course. We have been informed that further information will be forthcoming at this session.

During the intersessional period there has been much useful - if unspectacular - work on technical questions, such as subsidies, State trading and anti-dumping. We have reports on these subjects and will have to consider arrangements for carrying the work forward in the future.

From what I have already said, you can appreciate that we have a heavy and important programme before us over the next three weeks. This is our first experience of dividing our work into two brief sessions and I think, from the extent of our agenda, it is clear that we were wise to make this change in our arrangements. It will involve some changes in our method of going about our business, and we must be alert to all the possibilities of streamlining our procedures in order to get through our business both rapidly and efficiently. In particular, we can no longer allow ourselves, as in the past, the luxury of postponing the more important items until later on in the session. I hope, therefore, I can count on the co-operation of all delegations when I bring forward items for discussion.

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