The 1960-61 Tariff Conference is opening at a time when the world seems to be undergoing thorough modification, and when the atmosphere is one of constant unrest. We have witnessed the failure of the Summit Conference, continuing disagreements between East and West, while Africa is going through a period of unrest. Everywhere problems are cropping up; young nations are acceding to independence, developing countries are awaiting assistance, consideration and access to prosperity.

Fifteen years after the end of the second world war the world has not even been restored to full equilibrium, and has not found the way which could lead more quietly to economic growth and social progress.

It is at this particular juncture that we should strengthen international organizations whose task is to build and whose authority is more than ever necessary in order to substitute right for might, order for chaos, thoughtfulness for improvisation and co-operation for antagonism.

GATT is one of those organizations. At the time when the Tariff Conference opens I wish to say how much I rejoice to see that the Contracting Parties are affirming and extending their authority. The number of participants has been increasing ever since 1947. The questions dealt with by the GATT have also been increasing in scope and importance. This great Geneva institution is a factor for economic order; it is not only the guardian but also the promoter of the liberalization and increasing orderliness of world trade. This is due in particular to the high standards of its work and to the unflinching action of the secretariat under the leadership of Mr. Wyndham White, the Executive Secretary. I bring to the Contracting Parties the greetings of the European Economic Community as a whole, of the Member States and of the Commission of the Community and expressing to them our confidence and wishes for the success of the conference which opens today.
The Community also wishes to be a factor for orderly co-operation between the various States, a factor for economic liberalism and social progress. The Community is fully aware of the difficulties inherent in our internal problems. It is also aware of the problems that it can create by reason of its very existence for its partners in Europe and throughout the world. But it shall always endeavour to find solutions to those problems in a spirit of goodwill, and it is convinced that the establishment of a large, integrated economic market in the European continent is in itself a factor for expansion and progress whose happy results will be felt progressively throughout the world.

The Commission of the European Economic Community attaches considerable importance to the conference which is opening today. The liberal spirit with which it comes to participate in these negotiations has been often expressed, in particular with respect to the second phase of this conference. But I would wish in the first instance to call your attention to a number of points of special interest in relation with the first stage.

The renegotiations to be conducted under Article XXIV are only aimed at maintaining the stability of tariff concessions accorded under the General Agreement and thereby to safeguard the contractual benefits to which individual contracting parties are entitled. The renegotiations are solely intended to transpose at an equivalent level into the common tariff concessions previously granted within the framework of the four national tariffs. During this phase of the conference, the European Economic Community cannot be called upon to grant counterparts which were more important than those required by withdrawals or modifications of concessions as a result of the establishment of the common tariff. Therefore it is essential that the contracting parties should refrain from extending the scope of those negotiations beyond the limits stipulated by GATT.

The Community, therefore, is coming to these negotiations with a common external tariff, the general incidence of which is on the whole lower than the average level of the national tariffs of the constituent territories.

The offers submitted by the Community for the purpose of the renegotiations under Article XXIV, paragraph 6, will be communicated today to the secretariat and will involve the binding of a considerable part of the common external tariff.

These are not individual offers to individual contracting parties to which previous concessions have been accorded, but aggregate offers in which every individual country will find equitable compensation for the modifications of tariffs rendered necessary as a result of the alignment of the four national tariffs to the common tariff.
To facilitate the task of the Contracting Parties and in order that these negotiations may be completed within the deadline so that the second phase could start as scheduled, the Commission, during the last few weeks, has submitted the data requested by the secretariat: i.e.

- the lists of items bound in the national tariffs;
- 1958 import statistics in respect of each tariff item which has been bound under GATT;
- list of tariff items which, in the view of the Commission, should be renegotiated.

I would wish to draw the attention of the Contracting Parties to the fact that

- the offers which are being submitted today are of considerable scope, considering that they represent an area of more than 165,000,000 inhabitants;
- the concessions previously accorded had in general been granted by one or two constituent territories excluding, of course, the territories of the other member countries;
- in many cases the bindings concern low rates of tariff, which, according to the negotiating rules, should be regarded as a concession equivalent in value to the reduction of high duties.

I am now coming to the second phase of this conference, the phase which concerns the Dillon negotiations proper. I would first like to pay a tribute to the eminent Under-Secretary of State and to the Government of the United States whose initiative has made it possible to hold this conference.

It should therefore be borne in mind that the Community will not be able to enter into the multilateral phase until and unless negotiations under Article XXIV, paragraph 6, are completed. Every effort should therefore be made in order to complete the renegotiations on the common external tariff at the earliest possible date.

When these have been completed, the Community will be in a position to enter into the multilateral phase and to grant additional tariff concessions, thereby advancing the process of gradual reduction of the customs tariffs and extending the scope of the bindings against increase initiated by the GATT in 1947. This conference is occurring at a time when duties have been considerably reduced and when, as a result of the progress achieved towards the elimination of quantitative restrictions, tariff protection assumes greater importance.
The Community thought it had a substantial contribution to make to the work of this conference. That is why, basing itself on the methods used in the Community during the transitional period and recalling the previous efforts made here, in GATT, the Community has decided to proceed with a general linear 20 per cent reduction of its common external tariff and to invite its partners to act similarly and to proceed on a reciprocal basis. I wish to recall expressly, today, on behalf of the Community, the decision made by our Council of Ministers upon the proposal of the Commission, on 12 May last, the text of which was submitted to the contracting parties at the sixteenth session. Under this decision the first approximation, which is to be made not later than 31 December 1960 will be effected (with the exception of agricultural products) on the basis of the common external tariff reduced by 20 per cent, being understood that the rates of duty cannot be brought below the levels of the common tariff. Tariff reductions thus accorded to third countries will be granted on a provisional basis, but the Community is prepared to bind them during this conference, subject to reciprocity. This is a general, substantial reduction of tariffs offered by the Community to all partners as a contribution to the liberalization of international trade.

The Community is of opinion that this is the simplest and most practical method which fully conforms to the objectives of the General Agreement to achieve substantial reductions in tariff levels.

This technique therefore consists in obtaining from all interested countries a linear reduction by 20 per cent of their customs tariffs. Negotiations would thus make it possible to alleviate disparities between the tariff levels and to resolve the problem of very high tariffs.

It would then be unnecessary to exchange lists of requests.

If, however, a number of countries were not able or willing to adopt such a course, the Community would be prepared to seek equilibrium on another basis.

For that reason, independent from its offer of a general reduction, the EEC has established preliminary lists of requests for countries which intend to participate in the negotiations. These are of a tentative nature and include those items in respect of which concessions are deemed to be desirable. In transmitting them to the countries concerned the Commission reserves the right to amend or to complete such lists, so as to arrive eventually at reciprocal and mutually advantageous concessions.

The Commission wishes to recall that in view of the negotiating rules which require that there should be a balance of give and take, the substantial concessions offered by the Community on an overall basis can be maintained only to the extent that each individual contracting party receiving a substantial benefit is prepared to grant equivalent concessions.
I wish to repeat again that we attach considerable importance to the conference which opens today:

On the one hand it can make a substantial contribution to the solution of the European trade problems. Although it need not be regarded as the sole instrument both essential and adequate it can unquestionably alleviate the tariff difficulties between the Community and its European partners, in particular the members of the European Free Trade Association; it can also make it possible to remedy difficulties in particularly sensitive sectors and to resolve difficult cases.

On the other hand, this conference is an opportunity to meet the fears of developing countries in the field of trade, which have been discussed with them on the occasion of previous GATT consultations.

These will be the first ones to benefit by liberalization and expansion of international trade which will result from these negotiations and the Community will be very happy to contribute to the endeavours which, in its view, are no less important than financial assistance.

I have been speaking today on behalf of the European Economic Community. Under the Rome Treaty, the Commission is entrusted with the task of conducting negotiations on behalf of the Community in accordance with any directives which it may receive from the Council of Ministers. We do not forget, however, that negotiations may cover items which come under the jurisdiction of the other European communities. For that reason we shall not fail in these matters to act in accordance with the European Coal and Steel Community and EURATOM.

We have ahead of us sixteen months of arduous work, sixteen months of delicate, complicated negotiations. We are entering this period in a spirit of goodwill and confidence and with the profound conviction that the fourth major Tariff Conference will be a landmark in the glorious history of the General Agreement on Tariffs and Trade. To that end the Community will not spare any efforts.