Yesterday, the representative of the Council of Ministers of the European Economic Community addressed this meeting; I should now like to make a few remarks in my capacity as representative of the Commission, and I shall be so bold as to make a resolutely optimistic statement, because I believe that big changes are going on in the world and that they are for the good. I would like to mention just three of them.

The first is European unification, which is progressing at a speed far faster even than its sponsors hoped for, if one considers the advances made since the 1957 session when our Community was first mentioned here; now, four years later, not only does the Community occupy the position which you know, but it is being extended through direct, positive negotiations, which will, I believe, be quickly crowned with success, with other European States which desire either to accede to the Community or to associate themselves with it.

The second event which seems to me a most welcome one is the emancipation of the African nations. Although in certain parts of Africa difficulties are still occurring which we view with great concern, and which evoke at the same time our sympathy, we cannot fail to appreciate that, in the emancipation of the African nations as a whole, our generation is witnessing a very great event in the history of humanity - and that in itself is an excellent thing.

The third change is the unification, or rather the very rapid process of unification, of the free world. If we consider the progress made since the Tokyo session or the Geneva session three years ago, and if we say to ourselves that at the same rate we shall have progressed much farther in three or four years' time, we cannot but be struck by the scope of this development; and one of the essential factors which has made it possible was the decision of the two great Atlantic governments - the United States Government and the Canadian Government - to associate themselves on an equal footing with a whole number of European countries, to form the Organisation for Economic Co-operation and Development.

These three phenomena are actually reflected at our meeting here, for in this hall we have representatives, not only of the Contracting Parties to GATT, but also representatives of the European Economic Community, the African States, and the Organisation for Economic Co-operation and Development. When the Executive Secretary looks at this assembly and remembers what it was when GATT first began, he must, I think, feel pretty satisfied with the way in which this organization has expanded. Symbolizing this is the fact that, for the first time, the premises usually assigned to us in this building have proved too small, and we have had to meet in the large Assembly Hall.
In accordance with the wish expressed, my remarks will be concerned mainly with the Tariff Conference. The Conference was launched on the basis of a generous proposal by the United States Secretary of State, Mr. Dillon, that the Contracting Parties to GATT should negotiate an overall reduction of 20 per cent in their customs tariffs. Great efforts have been made, but when we look at the results, I think we have to admit that they do not measure up to our hopes. We are now in the last few weeks of the negotiations, but the final results are already fairly obvious. If we take an overall look at the reductions affecting trade between GATT member countries, we find that the tariff reduction will not amount to 20 per cent, or 15 per cent—and probably not even 10 per cent; I believe that in the aggregate it will amount to less than 10 per cent. That is the fact we have to admit and we must ask ourselves why. I think that two organizations represented at this meeting can give the reply—on the one hand, our Community and, on the other hand, the European Free Trade Association. We have found that, if we are to achieve a really substantial reduction in tariffs, we must follow the linear method. In the Community we have already achieved an overall reduction of 30 per cent in our tariffs as a whole, and at the end of this year—in four weeks' time—the reduction will amount to 40 per cent or 50 per cent. I believe I am correct in stating that, if we had adopted the traditional method which GATT has followed, we could never have achieved such substantial reductions. We in the Community also have private interests—and perfectly worthy interests too—but they would have opposed tariff reductions just as large as those which we encounter in our negotiations. Clearly, if we had not adopted the linear method, we should not have made a third of the headway already achieved in the Community, and I believe that the same is true of EFTA.

This is not merely an information meeting, but a meeting of governments, of men with powers of decision who wield public authority in their countries. I think that this meeting should not adjourn without deciding that all the governments represented here should be urged to equip themselves at home with the political, legislative and administrative weapons that will enable them to take part next time in negotiations for reducing tariffs not on a product-by-product but on a linear basis. I am very happy to see that some are already moving in this direction and, quite apart from the weapons thus put at their disposal, it is most important that stated policies should also follow the same line. To cite only two examples, in yesterday's discussions we heard the statement by the United States representative, Mr. George Ball, who described to us the liberal policy which his Government has now embarked upon, and we were also extremely interested to hear the statement by Mr. Bock, the Austrian Minister for Foreign Trade, who also informed us of a further effort made in this direction.

Those were the principal remarks I wanted to make. I should now like to mention three difficulties which we have encountered during these tariff negotiations.

The first is, of course, the agricultural difficulty. And here the EEC bears its share of responsibility for the fact that the tariff reductions have not been broadly extended to the agricultural sector. I do not intend to anticipate the discussion which will take place tomorrow. I should merely
like to note at this stage that, although at the moment, for technical rather than political reasons, we have not been able to make more progress towards tariff reduction in the agricultural sector, this should not be taken as an unpleasant injury of the Community's future common agricultural policy. In this respect we are more or less in the same situation as we were four years ago as regards the industrial sector. We used to be told: "You people worry us, you are a trust of industrial States, of wealthy people and capitalists and you are going to build up an industrial economy tailored solely for your own benefit". Four years have gone by and we find that that is not true, that we have in fact pursued a liberal policy, that our industrial expansion has benefited not only the States of the Community but also third countries which never exported as much to the Community countries as they have since the Community came into being. So we have demonstrated by deeds that our intentions were liberal. I readily agree that the proof has yet to be furnished in the agricultural sector, for our agricultural policy is still being evolved. I see no reason to believe, however, that the judgment to be passed on our agricultural policy in a few years' time will fail to be as favourable, and for the same reasons, as that passed today on our industrial policy.

The second difficulty is that of tropical products. In the place where I work, the Commission of the EEC, there is a profound belief that efforts must be made to reduce tariffs on tropical products. Although we have not yet been able to make any substantial headway in this field, I feel that the problem is more a problem of timing than of fundamental difficulties. As you all know, the Convention associating the Community with the overseas countries and territories, most of them in Africa, will expire at the end of 1982 and we are already in the middle of negotiations with those governments, which have now become independent, in order to draw up jointly the new convention. It was, and still is, very difficult to embark on any general policy of tariff reduction for tropical products until that convention, or at least its main outlines, has been drawn up. As you know, a governmental conference is being held in Paris at the beginning of December for this purpose. But that does not in the least imply that we are not convinced - the member States, on the one hand and our associated States, on the other hand - that this is a topical problem. We all realize that progress, real progress, in this field is essential, and I am sure that in a few months' time we shall have greater freedom of movement to make real efforts in this sector. Consequently, the somewhat interim situation in which we find ourselves, in this sector as in others, should not in any way be construed as a refusal to appreciate the importance of the problem for all the countries represented here at this meeting.

The third difficulty was mentioned yesterday by the Japanese Minister of State and Director General of the Economic Planning Agency; I refer to the difficulty of our trade relations with countries whose price structure differs from our own. Here again, the Commission is convinced that the EEC must rationalize its economic relations with the countries in question without delay. The fact that we have six countries, each with its own trade structure or commercial policy, should not slow down our efforts to establish a common policy in this respect. As you are aware, under the Treaty of Rome, certain matters already fall within the purview of the Community authorities, while others are still the responsibility of the member States. Commercial
policy is a case in point. Until the end of the transitional period, each of
the six member States of the EEC is master of its own commercial policy. That
has not prevented us from working together with them constantly, in the best
possible spirit of co-operation, over the past two years, in order to outline a
joint commercial policy, particularly in this field in which we are convinced
that more progressive solutions must be found than those which already exist.
In this connexion, we welcomed the Textile Conference convened on the initiative
of the United States Government as a first step, modest though it may be, but a
quite real one; we were glad to be able to co-operate in the conference and we
feel sure that this first step will soon be followed by others.

Before concluding, I should like to say a word to those representatives to
whom I listened yesterday, who spoke of our Community, at times rather impatiently
and at times with a severity which I feel to be excessive; I should like to tell
them that I understand full well that they expect a great deal of the Community
because of its size, the place which it already occupies in the world, and the
increasingly important place which it might still occupy if, as may be foreseen
in the near future, it is extended. I think that we must appreciate that fully
and not get too upset, even when such impatience is sometimes worded rather
strongly.

On the other hand, I would ask you to realize that our Community has not
yet achieved complete fruition. We are still in the transitional period of the
Rome Treaty; we are still in a period where certain Community policies have not
yet been outlined - for instance, the agricultural policy on which decisions
will have to be taken in the coming weeks, and our association with the overseas
territories, on which decisions must be taken in the next few months. Or again
the case of commercial policy where decisions will only be taken in the more
distant future. I believe, nevertheless, that much has already been done in the
past four years and that we can now claim that, as already stated we have done
no harm to anyone; on the contrary, we have created certain advantages for some
States represented here and on the whole, the action of the EEC has, in itself,
been a good thing, even though it may be found too slow and even though speedier
action would have been desirable.

In all this GATT plays a big part. GATT could limit its role to that of a
mere police force. It is hard to conceive of our amiable Executive Secretary as
a policeman, but in a certain sense, that is what he is. Time and time again,
either in national governments or in the Commission, when we have had to discuss
certain matters, certain association agreements, for instance, we have had to
hold back and say: "Be careful, that would contravene the GATT rules". Even
if GATT was no more than a police force to stop us from committing certain
offences in order to make faster progress, it would already have fulfilled an
essential role.

As we all know, however, GATT is much more than that. Its legitimate
ambition is to be one of the great moving forces of economic progress and trade
progress in the free world. It carries out this task with ever-increasing
authority. The mere fact that we are met here, governments and international
organizations, and have to take cognizance not only of our own problems, but

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also of those existing in other parts of the world, more particularly, the
impatience of countries whose development has not progressed as far as ours —
that fact alone would justify the ministerial meeting in which we are taking
part. We shall come here to attend future meetings in order to give GATT a
measure of co-operation, which as far as our Community is concerned, will, I
believe, constantly increase.

END