The present Session of the Contracting Parties takes place in a significant year for the General Agreement, and for our sister body the International Monetary Fund. 1952 is the year when it was supposed that the difficulties of the post-war transitional period would have been overcome and we should have seen the resumption of a multilateral system of trade and payments untrammelled by widespread restrictions. The situation which confronts us is sadly different. A majority of the contracting parties still find themselves obliged, in face of serious balance-of-payments difficulties, to maintain severe restrictions on imports and exports, and on international payments. This circumstance leads us inevitably to take stock of our experience in these difficult years, and to consider afresh, in the light of this experience, what our future course should be.

There are some who say that our original thinking - and the organisations and agreements to which it gave rise - was ill-conceived, that we should scrap these organisations and agreements and devise new institutions to deal with conditions as we now find them. One finds, however, little enlightenment as to what these new concepts are to be, or where they lead.

I do not agree with such critics. I agree that we may have made miscalculations as to the course of events, but there have been many contributory causes which no-one could have foreseen. I think that our basic concepts and objectives are the right ones, that our institutions - with perhaps some modifications - are adequate to make certain that we go forward in the right direction. We have made some mistakes, for example in our international work we have tended to devote too much attention to the symptoms and too little to the causes of our economic illness.

This next year presents us with a great opportunity, which, if seized with determination, can mark a turning point in post-war economic co-operation. There are indications that those nations which must inevitably play leading roles in coping with international problems, are now giving more serious thought to the basic causes of the disequilibrium impeding international trade, and the measures required to remedy them. These will call for courage and effort on the part of both deficit and creditor countries. They will involve changes in practices and in legislation, and undoubtedly painful adjustments.

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The endeavours of all, and contributions from all sides, will be needed if we are to make far greater progress toward a sound solution of our major economic difficulties than has been done in all the past five years. I hope this will be done because the only alternative to this new approach and spirit is a continuation of the disappointments and frustrations of the past, with grave possibility of severe, and possibly disastrous strains on our international fabric. I am sure the nations will put forward these supreme efforts, for the alternative which I have described is too bleak to contemplate.

Against this background, the business of our Session may appear of secondary importance. As we meet, we are aware that discussions are in progress or impending, and a number of contracting parties are making a basic re-examination of their commercial policies. We know also that, for different reasons, some contracting parties of great economic importance may find it difficult at this Session to take clear cut positions on matters of major policy. We can, nevertheless, in the spirit in which we attack the many difficult questions on our Agenda, give evidence of the vitality of the instrument which we have created, and which I myself believe is of basic importance to the fruitful development of our economic life.

I turn now to consider some of the questions on our Agenda. At this Session, as at so many others, we have to carry out consultations with certain countries which are applying restrictions made necessary by balance-of-payments difficulties. As I said earlier, these consultations were supposed to mark the end of the transitional period and to take place in happier circumstances. I hope, however, that we shall address ourselves to them in a constructive spirit and with a view to achieving useful results. In particular, we should eliminate any suggestion or feeling that the countries with whom consultations are taking place are defendants in a cause, and the other contracting parties are plaintiffs. A consultation under the General Agreement is a discussion of mutual problems undertaken in the common interest. I hope also that we shall remember that our special role is to deal with practical questions of international trade. It is the International Monetary Fund which has primary responsibility on the financial aspects of trade restrictions. I hope therefore that we shall address ourselves primarily to these practical trade aspects, and also that we can avoid the excess of legalism which has tended in the past to plague our discussions in this field.

I refer next to the waiver requested by the countries participating in the European Coal and Steel Community. Here we are confronted with one of the most ambitious and courageous international experiments which has yet been attempted. In order to play their part in this Community, the six countries concerned require to be relieved of certain of their obligations under the General Agreement. Clearly the Contracting Parties would not wish by any excessive rigidity in the application of the Agreement, to risk frustrating or delaying the operation of the Community. At the same time, the Contracting Parties must necessarily consider carefully the interests of third parties which are
protected under the General Agreement by their right to equality of treatment. I am confident that we shall have the wisdom to devise a mutually satisfactory solution, and one which will not disturb the essential elements and principles of the General Agreement.

Since our last Session a considerable amount of work has been done in examining the technical difficulties connected with the proposal then made by the French Government for a general reduction of tariff levels. In this connection, careful study has also been given to the special concern of certain contracting parties in Europe with the disparities in the levels of European tariffs. In the course of the present Session we shall have to examine the important questions of policy involved in this complicated field.

In the pamphlet "GATT in Action" it is said that "the hearing of complaints and differences of view or interpretation is one of the most important functions performed by the Contracting Parties at their regular Sessions........ As a board to which differences can be referred, the Contracting Parties have now acquired prestige and have established a reputation for fair and impartial judgment commanding the loyalty and respect of the individual contracting parties". It is therefore not surprising that a number of such questions occur on our present Agenda. We have reports to receive on four outstanding cases, and five new cases are submitted for our consideration. We can approach these problems with confidence because we have from past experience that the contracting parties enter into such discussions under the aegis of the General Agreement in a friendly businesslike spirit.

I would also refer to the important technical questions which are included in our Agenda at the initiative of the International Chamber of Commerce. This I regard as a particularly fruitful field of work for the Contracting Parties. I believe that through co-operation on these technical questions, we can do a great deal to facilitate the work of the trading community upon which falls the main brunt of the restrictions and administrative complications which so many of our governments find it necessary to impose for balance-of-payments reasons. The burden of these restrictions could, however, be considerably relieved for importers and exporters if we could improve their administration by intergovernmental agreement, and exclude many arbitrary and unpredictable elements.

I have touched on several aspects of the work which lies before us and they are enough to show that we have a great deal to accomplish. I will therefore now declare the Session formally open, and we will proceed with our business.