The event which brings us together is unquestionably the most significant milestone in the history of our organization. The purport of the conference which we open today is so fundamental, its aim so revolutionary, that its results - whether they be positive, a hope we all share, or negative - go far beyond the limits set to our GATT community and will, in any case, profoundly affect the economic face of the world.

From the very beginning, my country has warmly welcomed the aims and purposes of the Kennedy Round. The Swiss Government has given full support to these aims by actively participating in the preparatory spade work. If Switzerland has so much sympathy for the Kennedy Round and is ready to make a full contribution to its success, this is not just an accidental attitude: the promotion of a free, liberal and non-discriminatory world trade has always been the guiding principle of the foreign trade policy of Switzerland.

As you all know, the continued implementation of this principle, which we so highly value, has been blocked, - if there is not actually a moving back from it - by events of these last years on the European scene. Switzerland has persistently pointed out that the economic split in Europe - so intimately interwoven economically - was bound to lead to nonsensical and disruptive consequences. Here it is that the Kennedy Round comes in - provided it is concluded successfully - to play an important rôle for the maintenance and promotion of the traditional inter-European trade.

He who is familiar with the structure of foreign trade of the EEC and EFTA member countries will not be surprised that Switzerland and her partners in EFTA have always attached paramount importance to the European aspect of the forthcoming trade conference. The toning down of the detrimental effects of European economic regionalism will, however, not only profit the countries of our old continent but just as much the extra-European States, and this not in the least our friends from the developing countries.
Today's official opening of the Kennedy Round does not mean, fortunately, that we are only at the beginning of all the work implied in this conference. On the other hand, the moment has not yet come where we can be satisfied with ceremony and placidly leave the march of events to our friend Wyndham White and his staff. We have rather reached a stage in our preparations which might be decisive for the fate of the Kennedy Round.

The interest in this conference and the sympathy felt for it - which I am trying to express here - are not merely those shown by my Government and my country; they are also my very personal feelings. A year ago I had the honour to chair the GATT ministerial meeting which laid the foundation for the Kennedy Round; I hope you will permit me to review, in retrospect, the work done so far according to the directives issued by the Ministers.

I noted to my great satisfaction that the programme of action to promote the exports of the developing countries is taking shape and has partly been fulfilled already. At the beginning of this year, many industrial countries abolished their tariffs on tea and tropical timber. Switzerland joined in unreservedly. It is the sincere hope of all of us that this first positive achievement may soon be followed by further action to facilitate access for the export trade of the developing countries.

We are all conscious of the particular difficulties which we have to face in the field of agriculture. Some months ago divergencies of opinion seemed to be complete and unbridgeable. Today, points of view do not seem to differ so widely any more. Even though we should not stake our expectations too high and practice great patience instead, I believe that the agricultural exporters can also look forward with some confidence to the results of the Kennedy Round. Importing already now a large percentage of its total consumption of agricultural products Switzerland is prepared to make her contribution in this field also.

Most of the work done so far was undoubtedly devoted to the setting up of the tariff reduction plan. I am pleased to see that a vast majority of participants agree to the objective of a 50 per cent cut in their industrial tariffs. Just as pleasant and reassuring seems to me the fact that all participants committed themselves to limit exceptions to a bare minimum. But storm clouds are still accumulating over this sector of the negotiations, clouds out of which lightning may strike my country most vehemently of all. You will no doubt have understood that it is the disparities problem I am aiming at. A year ago we had agreed to submit significant disparities to rules of general and automatic application. It was left to me to define in an interpretation of this agreement which was accepted by all Ministers that the tariff disparities which had to be considered as significant were those which are meaningful in trade terms. Considering the present status of the disparity problem, it seems to me that there is little left of our former resolution. Is there indeed any economic sense, or any common sense, in a regulation whose consistent application would mean that because of arithmetic differences between the tariff rates of two participants, vital exports of "innocent" third countries to the country claiming the disparity should not profit by the full tariff reduction?
How do you explain, economically speaking, the invocation of disparities when the low tariff country imports very little or nothing at all from the high tariff country responsible for the disparity? Mr. Chairman, ladies and gentlemen, you will understand that these aspects of the disparity issue deeply worry my country and all other third countries in a similar position. In order to reach a satisfactory and well-balanced solution we should all agree that a lesser cut is only justified where the high tariff country is the main supplier of the product concerned to the low tariff country. Even then the "innocent" third countries will have to accept to be left without their full share of benefits on those items where they are second or third suppliers.

The moment these paradoxical, one might even say: absurd consequences of the disparity question became evident, Switzerland immediately drew her partners' attention to this fact. She could do this in good conscience since, as a low-tariff country, it might have suggested with particular justification that special treatment be given to disparate tariffs. If we abstained from it - if we go even further and offer to cut by 50 per cent all our industrial tariffs without any exception - it is because we are firmly convinced that the Kennedy Round provides a unique opportunity for a world-wide and far-reaching tariff cut, an opportunity it would be unforgivable to miss. Naturally, our offer is subject to full reciprocity; indeed, my country would, much to its regret, not be able to maintain its original offer if its justified claims were not fully taken into consideration. It will be, in the first place, for the great powers among the participants in the Kennedy Round to act in such a way as to assure also to my small country - but which, small as it may be, is the most important market of the EEC after the United States of America - full satisfaction on the disparity issue. On the basis of the attitude they have so far taken, I would like to feel confident, that they are prepared - by different ways and means - to live up to our expectations. It is my sincere wish that the way will thus be paved for an unreserved and full participation of the whole of the GATT community in the great negotiation on which we are embarking today.

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