Opening of the Kennedy Round

STATEMENT MADE BY H.E. MR. JOSE G. CORREA D'OLIVEIRA,
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COUNCIL OF MINISTERS OF PORTUGAL
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It is for me an honour and a privilege to represent my country at this meeting.

Indeed, the spirit of mutual comprehension which the countries represented in this hall have always displayed warrants the hope that within our organization valid replies can be found to certain questions which day by day are asked more urgently from every corner of the globe and which relate to the balance of international economic relations.

In this matter the services rendered by GATT and in particular by its Executive Secretary, Mr. Wyndham White, deserve the gratitude of all our governments. For long before the problems caused by the inequality of economic development in different countries had been analysed and examined in political discussions whose ardour sometimes hides the proper perspective of things, the GATT secretariat initiated some remarkable studies on the need to revise concepts, some of them dangerously obsolete, which still unduly govern relations between the highly industrialized countries and those which were, or still are, late in starting to adapt their economic and social structures to present-day conditions.

It was largely that work that brought home to us the unforeseen results which might ensue today if we were imprudent enough to follow a traditionally liberal policy of non-interference and inaction; in addition, it made us realize that we must move towards a new and relative liberalism, one which can really assist the growth of the less-developed economies.
For example, today, more than ever before, we see the unhappy consequences of a paradoxical situation in which the highly industrialized countries try to sell highly finished machines to under-developed or developing countries at prices calculated according to methods which are sometimes questionable, while, at the same time, those same countries which sell the machinery and have the technical "know-how" consider themselves justified in erecting tariff barriers, or more serious obstacles, to close their markets to the products manufactured with those machines.

I hope that the discussion which we are now resuming will show how much can be gained by understanding the extraordinary degree of interdependence existing today between the interests of all, whether rich or poor, who have to try to live, and sometimes survive, together. The society of man, based on comprehension of the legitimate interests of peoples and the mutual respect of nations, must begin to be reality if we really want to solve the problems of our era.

Poverty is contagious. It is beyond doubt that hatred and violence are generated by the destitution of those who suffer, thus creating an atmosphere of instability which can imperil the peace of those who might be tempted to think their prosperity unassailable, because they have a better mastery over the prodigious resources of modern technique. Recent history has shown that, in fact, prevention is better and cheaper than cure.

Of course one cannot ask the sovereign countries present here to forget their own interests; indeed I would be the last person to suggest it. But one can surely hope that each and every one will acknowledge that it is just and, under present-day circumstances, even essential for individuals as for nations, not to live in isolation, ignore or deliberately forget what is happening to others.

Far from any philanthropic concern, these considerations stem solely from my profound conviction that for mankind today solidarity is an absolute law, a moral and political necessity.

That is why I appreciate the appropriateness and the scope of this meeting at which major countries or groups of countries at an advanced stage of economic development are attempting to smooth out the differences between their views and to embody in positive decisions the work in progress in GATT, which has been stimulated by the United States initiative which gave rise to the present negotiations.
Perhaps one of the most striking aspects of the mental evolution in connexion with the collective action envisaged will be the change in certain notions, for example that of reciprocity, which in the past have attached rather undue importance to mathematical equilibrium in international trade negotiations. Hitherto, there has been a strong tendency to forget that such reciprocity is warranted only when the capacity and possibilities of the parties concerned are comparable. It is high time to recognize that the shilling given by a poor man is actually worth more than the rich man's pound. That does not, however, imply that the economically weaker countries are entitled to demand either direct or indirect aid without having to justify it and use it properly.

On the contrary, one must follow the old adage - "God helps those who help themselves".

Nevertheless, we are glad to see the abandonment, at least in principle, of negotiating techniques which were nearly always dominated by the idea of equality of concessions, while the voice of the weaker nations was often unheard.

We must not, however, let ourselves be carried away by undue optimism or underestimate the difficulties inherent in the tremendous task in which we are engaged. In this connexion, I should like to remind you that it would perhaps be overambitious to try to use uniform rules for setting the problems of all regions of the world, whether near or far, some with similar characteristics and others with clearly complementary features. It might be thought impossible to find a formula at world level which would automatically meet the requirements of all our countries. But in trying to avoid the dangers of an excessively global view of things, we must not fall into the converse error and fail to see the wood for trees.

In any event the way will be long and difficult because, unfortunately, solutions must still be found to many problems of method and some of substance.

Fairness demands, for example, that one must not make the mistake of overlooking the fact that the industry of a nation, like the body of a human being, follows a process of natural evolution characterized by debility in the early stages which demands not only the avoidance of any premature strain but also adequate external assistance if the growth process is to proceed. In these circumstances, how can one justify the establishment of a system which while having the semblance of equality would, in fact, amount to leaving the weaker ones at the mercy of those who, for some reason or another, have had the means of becoming stronger?
That is why, in the delicate task before us, we must always resolutely strive towards the harmonized economic development of all countries, while being careful never to ask from any country more than it can reasonably give.

I represent a nation which has had proof that the spirit of comprehension is no hollow term. As you know, in the Stockholm Convention, six countries have recognized the right of a seventh - my own - to protect a large part of its production, and in particular its new industries, to an extent far beyond the limits set by the general rules of the Convention. And as a further demonstration of this spirit of comprehension, an Economic Development Committee has recently been established in EFTA.

I mention this example of international co-operation to stress how important it is in the task we are embarking on, to bear in mind that certain countries will have to go on requesting that their ability to give an equitable counter-part for any concessions granted by their partners with more material wealth or accumulated knowledge should be evaluated in the light of the new concepts which I have mentioned.

On the other hand, while stressing that it is equitable to recognize the right of some prosperous countries whose exports are not very diversified to make their offers commensurate with the treatment given to their products in importing countries, I do not see how the country in which I have the honour to represent could fail to avail itself of the same right if for any reason, be it good or bad, my country's exports were to encounter difficulties or barriers in consumer markets.

In conclusion, Mr. Chairman, I should like while apologising for having spoken at such length, to assure all my colleagues that in the coming negotiations the Portuguese Government will do everything in its power to contribute to the success of the undertaking on which we are all engaged.

I am sure that all of us, whether large countries or small, rich or poor, will be capable of shouldering our responsibilities.