We are meeting today to open the 11th Session of the Contracting Parties to the GATT. Some around this table have been present at all or almost all of these sessions. To those of us who are more recent GATTites, the presence of these founding fathers is a tangible reminder of the fact that GATT has a long and respectable history of solid achievement based on principles that have stood the test of time.

Conditions have changed from year to year, and the GATT has proved itself sufficiently flexible to meet the new problems created by changing conditions. But its success in solving these problems is due in large part to the soundness of its basic principles. The Contracting Parties - and the title is significant - when they set themselves certain common objectives and undertook certain obligations towards each other, wisely realized that without a general agreement based upon such principles, international trading practices would be blown hither and thither by the winds of circumstance.

It is true that no two GATT sessions have been exactly alike. For example, the 9th session was known as the "Review" Session, and the 10th Session could be characterized as a "stand pat" session. But whatever differences there might be on the surface, there has run through all the sessions of the Contracting Parties a recognition that, whether in review or in application, the principles upon which the GATT is based must be preserved.

Some of us have felt from time to time that in order to meet certain situations the principles of the Agreement were being departed from to an unnecessary or even dangerous degree. Too frequent and widespread use of escape clauses and waivers from contractual obligations could soon destroy the validity of those mutual obligations. My government has been very much aware of this problem, and we continue to stand firm in our determination to protect the substance of the GATT rules and principles in the interests of the orderly conduct of world trade.
Some of these rules may rub a bit from time to time on particular members. But when the solid achievements of the GATT are considered, I am sure that none of us could readily contemplate its disappearance. These achievements do not belong only to the past, for advances of substantial worth continue to be made. Since the last Session there has been another round of tariff negotiations which has been of real benefit. Of no less importance is the continuing application of GATT rules to the conduct of trade between the Contracting Parties. In both of these fields - the reduction of tariff barriers and the regulation of international trade - the Contracting Parties to the GATT is the only body of world-wide scope and significance. Special arrangements of a regional character may play their part, but the maintenance and development of the GATT as a vigorous and effective instrument in world trade must remain our prime objective.

At this current Session of the Contracting Parties we are faced with a great variety of issues.

Over the past year or two there has been a growing realization that in at least some of the GATT countries the extremely trying balance of payments problems which had dogged their footsteps ever since the war are finally being brought under control. Many countries have been pursuing a policy of steadily reducing and eliminating quantitative restrictions on imports which had originally been imposed for balance of payments reasons. Some of these countries at least have now reached the position where almost all of these restrictions have been removed and where their balance of payments positions no longer justify the retention for any great length of time of the few remaining restrictions. My Government considers that GATT must recognize this fact. It is our hope that this session will take steps to put into effect the procedures which have been agreed upon as those which would govern situations of this kind.

We have also to deal with an application for membership from Switzerland. The adherence of Switzerland to the GATT presents certain problems of which we are all aware. However, if the special situation of Switzerland can be met without damaging the basic principles of the Agreement, the Canadian Government would welcome the adherence of this vital and highly advanced country. The absence of Switzerland from our council tables has deprived us of the valuable contribution of an important trading country.

We also welcome the proposal for separate membership of Laos and Tunisia. I think it must be very heartening for all Contracting Parties to see GATT membership broadened by the inclusion of countries so widely different in culture, in geography and in degree of industrialization as Switzerland, Laos and Tunisia. It should serve as a reminder to us that the GATT is an effective and worth-while instrument for all types of countries which are prepared to accept the responsibilities entailed.

The Brazilian tariff revision presents us with one of the most important problems of this Session. Some aspects of the tariff revision currently being carried out by the Brazilian Government appear to be at variance with the obligations which Brazil has accepted as a Contracting Party. It is our task at this session to examine this problem with sympathy and understanding but also with due regard to the necessity of preserving the basic requirements of the Agreement.
Of fundamental importance to the GATT is the relation of the Contracting Parties as a body and of the GATT as a contractual instrument to the free trade area and customs union which are actively being discussed by certain of our European members. We must give careful consideration to establishing procedures for ensuring that the plans now being formulated for closer regional association comply with the overall objectives and also the specific provisions of the Agreement which were designed to meet this very sort of situation. As the Agreement itself states, "the purpose of a customs union or of a free-trade area should be to facilitate trade between the parties and not to raise barriers to the trade of other contracting parties with such parties."

These are all new issues and as such naturally attract our attention. We must not forget that we have old problems as well. The disposal of agricultural surpluses by the United States is not a new problem, either in terms of its effect upon world trade, or in terms of its discussion in this forum. It still continues to present difficulties to many of us. The French compensation tax too continues to give concern. The problem of the application by many Contracting Parties of the escape provisions of Article XXXV to Japan remains unresolved. The various reports under the all-too-lengthy list of waivers require careful scrutiny. All these and many others must not be allowed to fade into insignificance because of our preoccupation with new and challenging problems. The provisions of the GATT require constant and careful application and administration. The imaginative approach must not be saved only for the new and different.

It is a lengthy and absorbing agenda which we have before us. All our efforts will be required to find mutually acceptable solutions to the problems we face. Our guideposts must continue to be those mutual obligations and principles which we have accepted as Contracting Parties. Our objective must ever be that system of non-discriminatory multilateral trade the obvious merits of which gave rise to the General Agreement.