SPEECH OF MR. L. D. WILGRESS,
CHAIRMAN OF THE CONTRACTING PARTIES
AT OPENING MEETING ON
11 APRIL, 1949

It is my pleasure to reply to the gracious speeches of welcome we have heard.

Speaking on behalf of my fellow delegates, we are deeply appreciative of the wonderful — almost magical — task you have accomplished in converting this historic town into the seat of an important international conference. I would particularly like to thank the members of the special committee which has put in so much hard work to fulfill our requirements. And I do not forget the more humble workers — the men who have laboured night and day to complete their task. This beautiful new room is indeed a tribute to them.

Two years ago, almost to the day, 23 governments met together in Geneva as a Preparatory Committee established by the Economic and Social Council to complete a draft of a charter for World Trade. These governments, in order to give practical demonstration of their determination to carry through a programme of reducing tariffs and other barriers to trade, simultaneously entered upon multilateral tariff negotiations. These negotiations resulted in the completion of the General Agreement on Tariffs and Trade.

We knew then that we were taking on a big job. Some of us wondered at the time whether so ambitious and complex an undertaking could be successfully carried through. But it was. The General Agreement on Tariffs and Trade is a great landmark in the history of international endeavour for developing mutually advantageous trade relations between the peoples of the world.

Since the sunny morning in October, 1947, when we signed the General Agreement in the Council Room of the Palais des Nations, our work has gone ahead and gained in strength and momentum. So far, we have suffered no setback in our appointed task. All the original twenty-three countries which took part in the original negotiations have since put into effect the tariff reductions agreed upon and brought the other provisions of the General Agreement into operation within the limits of their existing legislation. The first two sessions of the Contracting Parties have been outstandingly successful in dealing in a swift and practical manner with the problems — often intricate, often highly delicate problems — which have come before them.
Success breeds prestige. To-day we have a world-wide prestige, which it behoves us to maintain and strengthen. I doubt if any other major post-war development — either in the field of international politics or economics — can show a better record.

No doubt, it is more easy for a small group of countries to succeed; no doubt, success is more easy to achieve when the common objective — the reduction of trade barriers — is generally approved. No doubt agreement can often be reached more easily at what is so often called the working level — the level at which experts argue with experts. But this is not the whole secret. I believe — as I have said before — that each and every member of this group is determined to do his best to ensure that this enterprise shall flourish. If I restate this personal belief, it is not least on behalf of the eleven acceding governments whose representatives we welcome here to-day.

To-day, therefore, we are met together to associate ourselves — the original Contracting Parties — with eleven other countries who will, we hope, as a result of our negotiation here, accede to the General Agreement and so increase the number of Contracting Parties to thirty-four.

At the same time as these negotiations are initiated the Contracting Parties will be considering, at their Third Session, an agenda of formidable proportions. There are some items which concern what I might term the mechanism of the General Agreement. There are other items which could easily be allowed to stray from the facts and figures of economy to the arena of political debate. If we are to maintain our prestige, if we are to consolidate our gains, if the Contracting Parties are to continue on the path they have so far come, there must be no straying in that direction.

Self congratulation, however comforting it may seem, carries obligations. There is one obligation which -- I think -- should be considered at this session. We have -- in the language of newspaper correspondents -- a "good story to tell". But do we not lack the facts and figures which alone can bring our story to life?

What is this General Agreement and who are these Contracting Parties? I am often asked. I can answer that. What have they done? I can answer that in terms of negotiations, of our sessions, of the problems submitted and resolved. What has been the effect of all this on world trade, asks my enquirer. Surely, he adds, this is what you set out to do -- to reduce trade barriers and so to stimulate the flow of trade? To that question no easy answer is possible. There are many factors which affect the volume of world trade to-day and it is not easy to assess precisely the influence of tariff reductions. Yet this, I think, can safely be said -- that the General Agreement has made a substantial contribution to the revival of trade which has been clearly evident during the past year. One potent fact in this revival has been the growth of exports from the European countries and a large growth in the imports from these countries into North America. The substantial tariff reductions negotiated in Geneva cannot be ignored in assessing this development.
I believe, at this session, that we should begin to consider how best we can discover the basic results of our work. We may find that it is too soon to know. We may find that temporary restrictions have so far limited the full impact of the concessions. Even so, I believe that we could profitably examine this problem, and so far as practicable take steps to keep the public informed.

The tariff negotiations we have already concluded and the implications and obligations of the General Agreement are too little appreciated as actively contributing to the pattern of world economic recovery to-day and to-morrow. Public attention and, indeed, the attention of many governments, is naturally given to the solution of pressing, immediate problems. These can be reduced in most instances to the single problem of restoring to each national economy its normal characteristics, or of introducing new compensating characteristics to replace what is lost and cannot be replaced.

It is no part of my duty as Chairman of the Contracting Parties to deal with effect of the transfer of dollar purchasing power under the European Recovery Programme. It is not for me to forecast what the position of the receiving countries -- or of the United States -- will be when that immense programme comes to an end. Nor shall I refer to the other main factors influencing world economic recovery -- the flow of international capital, the development of less advanced areas of the globe, the continuing impasse of dollar shortages and so forth.

But it is my duty to state my belief that the reduction of trade barriers of all kinds is fundamental. Full employment, industrial and agricultural production, and a healthy export and import situation will be menaced, if not actually thwarted, if the trade barriers that exist to-day are not substantially and speedily reduced. Prosperity and economic security cannot be achieved and maintained on a country-by-country basis. They are integrated on a world-wide scale.

Reduction of trade barriers is not the sole advantage of our great undertaking. As trade is progressively stimulated, the ever-widening concert of countries are bound to each other by the provisions of the General Agreement. With due allowance for needed flexibility in special circumstances, such as abnormal exchange shortages which exist to-day, these provisions guarantee for each country most-favoured-nation treatment by all the other countries in matters of tariffs and import charges. They guarantee freedom from discrimination in the application of controls which are maintained under the dictate of economic necessity. These guarantees are vital; they ensure that all shall benefit and none shall suffer. They ensure equal treatment for the small economic power as for the greater powers.

Are we to end here? Or is this achievement, important as it is, to be consolidated into the wider sphere of the International Trade Organization?

To-day we stand on the threshold. We are still awaiting the verdict of parliaments and peoples on the Havana Charter.
We await with particular expectancy the decision of the Congress of the United States of America. This will be decisive not only because the whole enterprise has hitherto been largely sustained by the initiative and leadership of the United States, but also because of the preponderant role which falls to-day on the shoulders of the world's leading economic power.

While we are awaiting with expectancy and confidence the completion of the steps that are leading to the setting-up of the International Trade Organization, let us pursue with vigour and determination the goal which has been confided meanwhile to the Contracting Parties. Let us do everything possible to make these tariff negotiations upon which we are about to embark as successful and as history-making as those we brought to successful conclusion at Geneva two years ago. That will consolidate our gains and make the General Agreement a still more vital force in the international co-operative efforts for a better world.