STATEMENT BY MR. A. DUNKEL, DIRECTOR-GENERAL

1. Today we begin the second meeting to be held at Ministerial level in GATT in less than four years. By past GATT standards this is a very short interval. Ministerial meetings have been very rare in the last twenty years of GATT's existence - some, I know, would say much too rare - and one of the consequences of that is that when Trade Ministers do meet, much is expected of them. This is certainly the case with this meeting. The CONTRACTING PARTIES have decided to meet at Ministerial level because they recognized that the GATT and the multilateral trading system have reached a turning-point, and that the decisions which must be taken this week are essentially of a political nature.

2. Our meeting marks the culmination of one process and the start of another. Many of you were present at the Ministerial Meeting held in Geneva in 1982 at which Ministers adopted the Work Programme which has provided the basis for much of the work done in GATT in the past four years. You will remember the intense and often difficult discussions on such matters as agriculture, safeguards and services that preceded the adoption of the 1982 Ministerial Declaration. You will also know that when they agreed upon the Work Programme Ministers were fully aware that it was intended to bring about, through negotiations, a much needed strengthening and improvement of the trading system in several key areas. However, while much constructive work was done, it became increasingly clear that without a further political impetus the expected concrete results could not be achieved.

3. The fact that the content of the Work Programme is virtually identical with the issues before this meeting demonstrates very clearly the nature of the difficulty under which we have been labouring, and the need for this political impetus. Problems have indeed been identified and analyzed but this has not prevented them from getting worse. There has been an accumulation of tensions which threatens the future, and indeed the very existence, of the multilateral trading system, and the risk of further escalation is clear.

4. By no means all the difficulties which have arisen in trade relations can be attributed to the weaknesses and inadequacies of the trading system. Slow growth, unemployment, macro-economic imbalances and the problem of indebtedness have all influenced the conduct of trade policy. These problems call for action going far beyond the realm of trade policy, and bearing on such matters as interest and exchange rates and capital flows.

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Nevertheless, it is absolutely clear that protectionism and the increasing disregard for the legal obligations on which the system rests have compounded these problems. This is why those concerned with trade policies must be prepared to accept their share of responsibility for restoring the health of the international economy - and this is why I am glad to see here today so many of those who bear the highest responsibility for the conduct of trade policy.

5. We sometimes forget that we are dealing with the real world. Ministers are here to remind us of that. The importance of the signal that will be conveyed to the business circles and to the populations of your countries by a decision to launch the New Round cannot be over-stated. It will be an indication, and indeed a commitment, that the CONTRACTING PARTIES will strive to create a more liberal, more equitable and more dynamic framework for the conduct of world trade, for the benefit of every trading nation. More than that, it will be a signal that all contracting parties, whatever their national objectives and whatever their capacity to pursue them independently, recognize that peaceful and mutually beneficial trade relations are only possible within the disciplines of the multilateral system.

6. Finally, a thought which I should like to leave with you. Whatever the results of this meeting, it is clear that after Punta del Este the international trading scene will no longer be the same. Let us work together to ensure that the change will be for the better.