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STATEMENT BY THE PRESIDENT OF THE COUNCIL OF THE EUROPEAN COMMUNITIES

Ministerial meetings in the framework of GATT have always been a major event : the preceding ministerial meetings in GATT have been linked to the major rounds of multilateral trade negotiations which more than anything else have won GATT its reputation as the cornerstone of international free trade. This time, we meet - not to engage a new round of trade negotiations - but to cope with the serious difficulties characterising the present state of international trade. The importance of this meeting lies in the fact that it comes at a time when all our countries, our economic operators and our peoples are increasingly affected by the world wide economic crisis we are experiencing.

International trade is only one element in the complex system of economic inter-relations, but indeed a major one. It is threatened by the climate of uncertainty resulting from persistent inflation, high interest rates, exchange rate instability which in turn produce unemployment, negative growth and accrued protectionist pressures. It would hardly be realistic to imagine that, through GATT, we could in one stroke reverse the general economic trend to the better. However, a clear indication of our political determination to remedy the situation in the area of trade will, I am confident, have a positive effect. It would constitute an important signal to the international business community that our governments are determined to do their utmost to eliminate the uncertainties created in recent years by protectionist pressures and other effects of the general economic crisis.

There is no reason to lose faith in the international trading system embodied in the GATT. Indeed, this system to which the world owes so much for its economic development over more than three decades is in no way threatened by impending collapse. But, admittedly, holding the line against protectionism is an urgent task. The multilateral trading system is affected by tensions which have emerged during the crisis. They originate in a deterioration in economic and social conditions which governments cannot ignore. They manifest themselves, generally speaking, in protectionist pressures and an increased recourse to special measures and arrangements not covered by the rules of the general agreement.

Serious attempts have been made to control these tendencies, so far with some success. However, this will not suffice. What is presently needed is a concerted effort at the international level to promote free trade as embodied in the GATT with a view to contributing to the recreation of conditions favourable to a resumption of sustained economic growth.

The prospects for success in this task will to a very large extent depend upon the attitude of the major trading nations and in particular the United States, Japan and the European Community.

It is important that healthy trade relations be re-established between these major trading partners since such relations constitute both a dynamic element and a stimulating factor in the multilateral trading system.

On the other hand, it would be illusory to believe that the major trading nations could, in isolation, resolve all present difficulties in international trade relations.

GATT is a joint undertaking: this is illustrated by the fact that the stagnation in international trade has affected all nations represented here, including centrally planned economies and developing countries and, regrettably, even the most disadvantaged of the latter.

In an increasingly interdependent world the role of trade as a factor for economic growth and social development is becoming even more important for us all independently of our current levels of economic development. We must therefore in common make every necessary effort - each according to his abilities and in whatever way is compatible with this degree of development, to ensure that the multilateral trading system is further liberalized and expanded in order to facilitate an improvement in the general economic situation.

The European Economic Community for its part is ready to participate in this renewed effort of co-operation, in which we trust all will share in a balanced way to the benefit of all.

The Commission representative will tell you how the Community proposed to participate in this process. Let me now solemnly emphasize, once again, the Community's political determination to take an active part in all the efforts to ensure freedom, security and expansion for international trade by shouldering its share of the burden involved in a balanced set of rights and obligations.