Origins

Before the end of the Second World War, allied leaders were already looking to the future in terms of an economic system founded on the principle of non-discrimination and the fullest and freest possible exchange of goods and services. This broad proposition had sharp political as well as economic overtones. It recognized as ineluctable that world peace required as a corollary a stable, prosperous international economy. It was born out of the disillusionment arising from the economic depression, inward-looking government policies and general disorder in international trade relations that were characteristic of the pre-war years.

Within the broad design for international co-operation in the post-war period the institutional framework for a multilateral system of trade and payments was conceived as a trilogy of specialized agencies forming part of the United Nations system. Two of these, the International Monetary Fund and the International Bank for Reconstruction and Development, were established following the Bretton Woods Conference. The third - the International Trade Organization - was still-born, because of a lack of support for the Havana Charter under the provisions of which it was to come into being.

It was in this way - through an accident of history as it were - that the General Agreement on Tariffs and Trade was called upon to become the international instrument governing the conduct of world trade and trade relations. It was not designed for this task. It was in many ways ill-equipped for it. Originally it was drawn up to embody and safeguard the results of tariff negotiations that twenty-two countries had decided to undertake while the Havana Charter was still being drafted, and its rules and provisions were so framed as to permit its easy integration into the International Trade Organization once this was established.

There were many who did not rate GATT's chances of survival very high. Its legal basis was insecure. Its existence as a separate entity was intended to be temporary. It was not, strictly speaking, an "organization". There were only the minimum provisions for its administration. No secretariat of its own was specifically provided for. At first sight, it was reasonable to doubt whether this fragile structure would be able to withstand the buffetings that were inevitable in this vital sector where, because of the stakes involved, tremendous interests and pressures are in play.
Yet the GATT did more than survive. From its modest beginnings, it has become the principal international body in world trade and constitutes a code of conduct to which countries accounting for some 80 per cent of world trade have subscribed. The doctrine of the multilateral, liberal approach that inspired it has broadly conditioned the character and content of international trade policy and relationships over the past twenty years; these might have been much different without it. In this period, there has been a great expansion of world trade and material prosperity including, during the past eight years, the longest period of pronounced, uninterrupted expansion since at least the middle of the nineteenth century. This is not coincidental. It surely offers a vindication of the principles and policies upon which the edifice of world trade and trade relations has been constructed since the war.

Paradoxically, GATT's apparent shortcomings and omissions may in the long run have proved a principal source of strength. The Havana Charter attempted to reconcile two divergent standpoints: one favoured multilateralism and the liberal approach to world trade, and the other a large measure of governmental intervention to ensure a high level of employment. Only the first of these was translated into the GATT provisions, but it is a cogent argument that this was to the benefit of world trade and certainly not to the detriment of the important social considerations involved. For the post-war period has clearly demonstrated that freer trade and a multilateral, non-discriminatory trading system can be synonymous with a high degree of economic activity and employment.

Unlike many other international organizations - and in large part because of its origins - GATT is unencumbered by elaborate administrative or procedural trappings; these are often the antithesis of efficiency. It has refused to get bogged down in legal technicalities. This has permitted the flexible, pragmatic approach to its operations that has always characterized the GATT and which has enabled it to remain essentially a compact instrument of negotiation.

It is through the annual meetings of governments in joint session, and through subsidiary bodies which meet from time to time throughout the year, that GATT conducts its business.

**Membership**

When it came into existence, GATT had twenty-three Members. At the present time it has seventy-four; four others have initiated or completed negotiations for accession; and eight other newly-independent countries are applying the GATT de facto while deciding upon the future lines of their commercial policies.

The contractual nature of the rights and obligations which it embodies distinguishes the GATT from other organizations in the United Nations system.
National sovereignty does not per se give the assurance of admission to GATT. Eligibility for membership depends on the willingness of a country to accept a certain discipline - a certain order - on the basis of the GATT rules in the conduct of its trade and trade relationships. It presupposes that a country will offer a quid pro quo for the positive advantages its trade and traders will derive from membership and from the tariff concessions negotiated in the past between member governments and to which, through the operation of the most-favoured-nation principle, the newcomer will automatically become entitled on accession. It seeks conformity of a country's commercial policies with the trade rules and principles of GATT.

This particularity explains GATT's individual image and personality among international organizations. Some of its members - such as the Federal Republic of Germany and Switzerland - are not members of the United Nations. Many newly-independent countries, to whose territories GATT had been applied by the former metropolitan power, have availed themselves of the facility provided by a GATT provision whereby they can be deemed contracting parties to GATT once they have acquired autonomy in the conduct of their external commercial relations; even here, however, such countries are required to take over GATT obligations and tariff concessions that had been accepted on their behalf before their independence. Older developing countries do not have access to this facility and certain important developing countries, such as Thailand, the Philippines, Venezuela and Mexico, still remain outside the GATT membership although they participate actively in GATT meetings through observers.

An important development in the past two years has been the accession to GATT of Yugoslavia and Poland. Czechoslovakia was one of the original members of GATT. Other countries of this area, such as Rumania, Hungary and Bulgaria are closely following GATT's work. There are difficulties, of course, in trying to integrate such countries into the multilateral trading system. The GATT rules were formulated on the promise that they would be applied by market economies in conditions where the normal market forces were fully in play. These criteria do not apply in the case of centrally-planned economies. However, there is an evolution in the trade and economic system of some of these countries that could lead, in due course, to their meaningful participation in the GATT trading system on the basis of reciprocal rights and obligations that membership implies.

The Rôle of GATT

Contractual commitments

The GATT is a multilateral trade treaty between governments. The rights and obligations embodied in it are contractual in character and legally binding. It constitutes a code of conduct covering the totality of the trade relations of the member countries.
Expressed in its most concise terms, GATT stands for: the liberalization of world trade through the negotiation of the reduction and elimination of barriers to trade; the prevention of the frustration of the results of such negotiation by the use of such measures as import restrictions, new preferences, excessive subsidization, administrative obstacles to trade and so on; non-discrimination in world trade, through the operation of the "most-favoured-nation" clause, except that, under certain conditions, customs unions and free-trade areas may be formed; and the use of the GATT consultation procedures by member governments in the case of dispute and so as to avoid damage to one another's trade.

The detailed GATT rules and provisions are directed toward the achievement of these aims. The rigours of the rules can be mitigated by use of "waiver" procedures whereby a country, when its economic or trade circumstances so warrant, may seek a derogation from a particular GATT obligation or obligations. There are escape provisions for emergency action in certain defined conditions. In the interests of their economic development, developing countries have for more than a decade been able to apply certain GATT provisions with a considerable degree of flexibility. In February 1965 additional provisions were added to GATT specifically dealing with trade and development.

The broader rôle

The scope and compass of GATT's activities exceed, of course, the mere application of its trade rules. Increasingly, its rôle has become that of an international forum for co-operative action in the field of world trade.

The basis for this broader rôle is the administrative provision in GATT for joint action by the member governments necessary for the application of the treaty and the furtherance of its objectives. These objectives are stated in the preamble to GATT where the member governments recognize that "their relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily-growing volume of real income and effective demand, developing the full use of the resources of the world and expanding the production and exchange of goods, and promoting the progressive development of the economies of all the contracting parties".

This broad mandate has enabled the emphasis and orientation in GATT's operations to be responsive to the changing demands of the international economy and the strength and nature of its rôle to be built up empirically over the years.

In the execution of this broader mandate, much of GATT's effort over the past decade has been directed toward specific programmes of action. The impetus for these has been derived from periodic meetings of Trade Ministers and from the political direction that these have provided. Such meetings are convened when any fresh political endorsement or initiative is called for or when a renewal of political direction is necessary.
In the past ten years there have been five meetings of Trade Ministers: in 1957, 1958, 1961, 1963 and 1964. These have had important results. Not only have they laid the groundwork and the guidelines for the work of the GATT over the past decade; they have also had a major influence on the direction and content of international policy and thinking on trade and economic matters.

The overall activities of the GATT thus have a two-fold character: the day-to-day application of its provisions and trade rules; and the broader, more spectacular actions under its specific programmes. Both rest on the same principles and doctrine. Both have the same objectives.

**Aims and Realization**

**Reduction of trade barriers**

The GATT principles and provisions are a reflection of the thesis that national economic prosperity and order in trade relations are most likely to be secured through the medium of an expanding world economy and the progressive liberalization of international trade. The experience of the last twenty years underlines the validity of this thesis.

Excessive protectionism does a disservice to this broad objective. It runs counter to the concept of efficiency and competitiveness in industry - a vital consideration in export markets. It can provoke retaliatory action by other countries. The nineteen thirties offer a hard reminder of this.

In this area, the GATT starts from the point that protection for domestic industries should be provided exclusively by the customs tariff and that the level of protection should be progressively reduced through negotiation between governments.

The GATT rules and provisions are built around this concept. They aim to ensure that the tariff concessions negotiated at periodic GATT negotiating conferences - and embodied in country schedules annexed to GATT - are not impaired or nullified through the use by governments of other protective devices, such as import restrictions or excessive subsidization.

To what extent has GATT been able to hold this line?

A great deal had already been achieved in tariff conferences prior to the Kennedy Round. There were five of these conferences: Geneva (1947), Annecy (1949), Torquay (1951), Geneva (1956) and Geneva (1960-61). Many tens of thousands of customs duties were reduced and/or bound against increase.

The results achieved in these negotiations have promoted international trade by bringing about a substantial reduction in the level of tariff protection. Through the process of "binding" concessions against increase, they have enabled trade to be planned with what is almost the assurance that there will not be a sudden rise in the negotiated tariffs. The value of this to governments and traders - both in terms of increased opportunities in overseas markets and from the point of view of sound planning - needs no emphasis.
On the other hand, while trade in agricultural products has also reached a high level, this has been despite widespread departures from the rules and standards of GATT. The GATT rules were formulated to apply to trade in agricultural and industrial products alike. The virtual exclusion of agriculture from the broad sweep of trade liberalization, and its insulation from the normal disciplines of market forces and international competition, are bringing about distortions in patterns of production and trade which could be a fertile source of strain and disorder in trade relations.

The history of the post-war period provides clear evidence of the gap between commitment and performance as regards agricultural trade. In the fifties, the improvement in many countries' financial and balance-of-payments position had as a corollary a widespread reduction and elimination of quantitative restrictions. Agricultural products remained largely outside this process and have since stubbornly resisted the attempts to dislodge them from their entrenched position. The principal derogations from the GATT's provisions have concerned the agricultural sector.

There are many reasons for this situation. These are social and political as well as economic. They have been debated at length and are well-known. They have resulted in a situation, the irrationality of which is only matched by the increasing complexity and ingenuity of the measures designed to prolong it, and by the rising cost to the national consumer and taxpayer.

In the thinking and planning that preceded the Kennedy Round it was patent that, in future negotiations, a particular effort would require to be made in the agricultural sector. A continuation of the existing situation in that area would be a negation of the concept of a multilateral trading system in which all trade sectors were included.

New approach

A certain crystallization of international attitudes was discernible in the interval between the 1960/61 Dillon Round and the Kennedy Round. This was reflected in the directives given by Ministers for the Kennedy Round.

It was evident that, if the international trading community was to make a further advance in the area of trade liberalization, future negotiations would have to embrace non-tariff as well as tariff barriers, and focus greater attention on the problems of trade in agricultural products. It would also have to take full account of one of the major - if not the major - politico-economic issues to emerge in the past decade: the trade and economic development problems of the third world.

The ingredients in this situation were plain. The greater prominence of the non-tariff barrier - particularly in the circumstances on an anticipated large-scale reduction of tariffs in the Kennedy Round - and the increased urgency given to the question of trade in agricultural products, were the logical consequences of developments in international trade. The insistent demands of the developing countries for increased export earnings and a higher standard of living for their peoples called for a constructive response.
Thus, basic to the Kennedy Round operation was, not only acceptance of the continued validity of the GATT doctrine, but also an ability to respond to the new tendencies and nuances on the international political and economic scene of the nineteen-sixties.

The Kennedy Round

In its conception the Kennedy Round matched the aspirations and statesmanship that promoted it. In scope and content it was more comprehensive and complex than anything of the kind ever attempted before. Its very complexity in some ways threatened its failure.

The difficulties that arose in attempting to secure a result satisfactory to all are self-evident. Some fifty countries were involved. Each had its own problems, both domestic and external. Each brought to the conference table its indispensable requirements. Each was under the pressure, not only of the needs of its economic and trade situation, but also of the strong domestic, political and social influences in play. To this has to be added the inevitable technical difficulties that arise when attention is focused on large, complicated sectors of production. In the chemicals sector, for example, much more than the reduction of tariffs was involved. Other elements under negotiation included the American Selling Price customs valuation system used for certain chemicals, and such different bed-fellows as the EEC road-use taxes, the United Kingdom preference on tobacco imports and the Swiss limitations on imports of certain canned fruit. The complications that faced negotiators in ensuring a satisfactory "package" - with reciprocity between concessions offered and concessions received - both within any particular sector and within the Kennedy Round as a whole can well be imagined.

The outcome of the negotiations was a great achievement of international co-operation and a landmark in the twentieth century. It was an example of what can be done if the political will is present. The statistics, more than words, convey the best measure of what international discussion, consultation and negotiation through the established mechanisms of the GATT has secured. They offer an earnest of what can still be achieved, once the remaining problems - and the new ones that are emerging - have been carefully weighed and the best approach to their resolution decided upon.

The countries that made tariff concessions in the Kennedy Round account for about 75 per cent of world trade. Total concessions made by these countries in the negotiations affect trade valued at just over $40 billion.

Based on 1964 figures, the last year for which full details are available, the main industrialized countries - the EEC, Japan, Sweden, Switzerland, the United Kingdom and the United States - made concessions (either duty reductions or the binding of duties already at zero) on imports valued at $32 billion. Duty reductions affect $26 billion, or 70 per cent, of these countries' dutiable imports. The majority of the reductions are of 50 per cent or more; another $5 billion are subject to reductions of between 20 and 50 per cent and a further $4 billion to lesser reductions.
Duty reductions will affect a greater than average percentage of dutiable imports in the following sectors: chemicals (93 per cent), pulp and paper (92 per cent), machinery, transport equipment and precision instruments (91 per cent), raw materials other than agricultural raw materials and fuels (83 per cent), base metals other than iron and steel (81 per cent) and other manufactures (81 per cent).

Duty reductions will affect a smaller than average percentage of dutiable imports in the following sectors: textiles and clothing (65 per cent), iron and steel (63 per cent), non-tropical agricultural products (49 per cent), tropical products (39 per cent) and fuels (14 per cent).

Separate agreements were negotiated on grains, on chemical products and on anti-dumping policies. The results as they affect the developing countries are dealt with below.

These bald figures give a striking impression of the stakes at issue and of the dimensions of the results accomplished. But more remains to be done if the opportunities that present themselves in modern conditions of production and technology are to be fully exploited. The figures and the facts point up, in particular, the insufficiency of the results achieved in the agricultural sector. Agricultural problems were prominent in the Kennedy Round discussions but the results were very modest when viewed against the objectives that were set. The international trading community must apply itself to further effort in this difficult field. There is an opportunity to build on the evolution there has been in the attitude and approach to the negotiation of these problems; this, in no small part, derives from the deeper understanding of the problems that emerged out of the country-by-country consultations on national agricultural policies carried out following a directive from Ministers in 1958. There has developed an increasing recognition that, in addition to the normal measures of commercial policy, such matters as national and international prices, production policies, subsidies, surplus disposal must also be the subject of discussion and negotiation. This extension of concept is important. Although it did not lead to the hoped-for concrete results, it was already in evidence during the Kennedy Round. It would seem to offer the best prospects for progress in the future.

Within the broad framework of the Kennedy Round were caught up many other important ingredients in the international economic picture. Two of these might be mentioned: regionalism, primarily in Europe, and the important question of trade relations with countries with centrally-planned economies. The Kennedy Round provided the international mechanism for the negotiation by the regional groupings - in particular the EEC and EFTA - of a reduction in barriers to trade between themselves and vis-à-vis the rest of the world, and thereby to continue their participation in the progressive movement toward an integrated world economy. It saw the initiation of negotiations between GATT Member countries and Poland that have recently reached their fruition in the accession of Poland to GATT.
Governments, industry and traders will need time to digest and adjust themselves to the changes resulting from the Kennedy Round. Meanwhile in many places much thought is being given to the timing and character of the next step.1 Whilst any major initiatives are unlikely to develop for some years, it is not too early to begin to analyze the possibilities, alternatives and techniques for further advance. Indeed, much of the time consumed in the Kennedy Round was in fact devoted to discussions of procedures and techniques which could more profitably have preceded the initiation of substantive negotiations.

Developing countries

The trade problems of the developing world have been a major preoccupation of GATT. It has been a pioneer in this area. The growing international awareness in the early nineteen-sixties of the relevance of trade to the problems of the developing countries, and the increasing attention and resources devoted to this aspect of the development problem, stemmed in no small part from the work done by GATT.

The extent of GATT's effort and contribution is apparent from the directives of Ministers over the past decade, and from the character and depth of the work undertaken by the organization. An important part of the Programme for International Trade Expansion set in motion by Ministers in 1958 was devoted to the trade problems of developing countries. In 1961, Ministers adopted a declaration on the promotion of the trade of these countries which was tantamount to an embryonic charter for trade relations between the developed and the developing worlds. In 1963, they launched a seven-point Action Programme calling for the substantial reduction and elimination of tariff and non-tariff barriers applied to products of export interest to developing countries. This Action Programme was taken up in UNCTAD and served as a basis for a number of resolutions and recommendations made by the first conference in the context of trade as an aid to development.

In the GATT forum, many issues received early - in some cases their earliest - ventilation and discussion by the international trading community. As examples may be mentioned the question of preference for imports of manufactured and semi-manufactured products from developing countries; duty-free entry for tropical products; non-reciprocity from developing countries for concessions received from developed countries in trade negotiations; differential duties between raw materials and semi-manufactured and manufactured products; and technical assistance in export promotion for developing countries.

1 See, for example: E. Wyndham White, "The Kennedy Round and Beyond", Bad Godesberg, October 1966; and "Agriculture within World Trade", Heidelberg, September 1967 (both obtainable from the GATT secretariat, Geneva).
In the mid-sixties it was felt desirable to provide a more appropriate legal framework within the GATT for these important activities. This was a natural culmination to the many years of GATT's endeavour on behalf of the developing countries. In February 1965 a new Chapter on Trade and Development was added to GATT. This spells out the general objectives which should govern national trade policies in relation to developing countries. Inter alia, it requires the developed countries to give high priority to the reduction of existing barriers to the trade of developing countries and to refrain from imposing new barriers. For their part, the developing countries undertake to reduce to the greatest extent possible barriers affecting trade between themselves. There are also provisions for joint action by the GATT Member countries. As in the case of the older GATT provisions, the new Chapter constitutes contractual commitments by governments.

The principal elements of the problems that have given rise to all this activity in the trade field are clear: the need for a substantial increase in the export earnings of developing countries as a supplement to external financial aid; the relatively increasing contribution that such earnings should make to economic growth and to financing the inputs of development programmes; the importance a concentration on exports has for greater industrial efficiency and rational economic development; the need for developing countries to decrease their continued high degree of dependence on exports of primary products and their vulnerability to chronic demand and price fluctuation; the importance of an efficient diversification of the economic structure in developing countries and the need for increased access to world markets for their manufactured exports; the implications of this for international and national commercial policies.

What contribution has GATT been able to make to the resolution of the problems that arise and what has been its rôle?

Already before the Kennedy Round - through a process of attrition and continual pressure - the removal of a large number of quantitative restrictions had been achieved. There remained, however, hard-core import restrictions on such major exports of developing countries as cotton textiles and coir products. In the tariff field, likewise, some progress was made affecting products such as tea, tropical timber, cocoa and raw cotton.

The eyes of the developing countries, however, became mainly fixed on the opportunities that the Kennedy Round might open up. In their directives for the negotiations, Ministers stressed that every effort should be made to reduce barriers to the trade of these countries. At the same time, they established the principle that the developed countries could not expect to receive, in the negotiations, full reciprocity from the developing countries.

The stage was thus set for a big move forward. Great hopes were entertained. Were they fulfilled?
During the course of the negotiations, the developing countries put forward a list of products in which they have an export interest. On 21 per cent of the dutiable items on the list no tariff reductions were made; on 26 per cent, reductions of less than 50 per cent were made; on 49 per cent there were reductions of 50 per cent and on 5 per cent reductions of more than 50 per cent. These results do not differ greatly from the overall results of the negotiations.

However, many of the manufactured products on the list are of potential rather than actual value to developing countries, as they do not yet figure among these countries' exports. Accordingly, the immediate benefit to these countries is correspondingly smaller. These products will, nevertheless, be of value as and when production for export is undertaken. In the case of dutiable manufactured products of actual interest to developing countries, 24 per cent by value of imports into the main industrialized participants will not be the subject of tariff reductions, 29 per cent will be the subject of reductions of less than 50 per cent; and 47 per cent will be the subject of reductions of 50 per cent or more. Comparable figures for all manufactured products are: no reduction, 16 per cent, less than 50 per cent reductions, 29 per cent; reductions of 50 per cent or more, 55 per cent.

The average reductions made in the textile sector were relatively low. In addition, certain of the concessions are related to the continued existence of the Long-Term Arrangement on Cotton Textiles. This is a particularly sensitive sector, and the results obtained reflect this fact.

In the case of tropical products, a lack of progress resulted largely from the presence of special problems. It was fundamentally due to the existence of tariff preferences which certain developing countries enjoy in the markets of some developed countries and to the inability of the countries concerned, including those benefiting from the preferences, to agree on a basis for joint action.

By any reasonable yard-stick the overall results of the Kennedy Round will bring considerable benefits to the developing countries. More generally - and this is too often overlooked - the impetus to world trade expansion that the results of the negotiations should promote are of the greatest importance to these countries. For it is only against the background of an expanding world economy and growth in international trade that the desired increase in the exports of the developing areas of the world can be achieved.

As for the future, the GATT's efforts will continue to derive directly from its provisions, including those in the new Chapter on Trade and Development. One area on which attention is currently focused concerns trade negotiations among the developing countries themselves and it is hoped that something positive will come out of this soon. Another area concerns technical assistance in export promotion for developing countries. Here there is the prospect of joint action by GATT and UNCTAD in the operation of an International Trade Centre - incorporating the present well-established and thriving GATT Trade Centre - that would provide the facilities necessary to enable developing countries to improve their export marketing techniques, services, etc.
The magnitude of the trade and economic development problems of the developing world will continue to call for great efforts from the international trading community. These problems, and the persistent demands of the developing countries that they be resolved, remain a principal challenge of our times. The GATT will continue to put forward its maximum effort in this vital area of international co-operation.

**Perspectives**

International trade and trade relations are never static. Often under the promptings of political or social factors, they are in a constant state of evolution.

In the post-Kennedy Round period the international trading community will continue to be faced with serious problems. It could hardly be otherwise in an area where the prosperity of nations and the livelihood of their populations are at issue. New problems will arise and old ones have a habit of reappearing.

The Kennedy Round was a major step forward. But, in a historical context, it should be looked upon only as an episode.

The best way of approaching what lies ahead is a lively and pertinent subject of present debate. Existing concepts and international machinery are being closely scrutinized. It is right that this should be happening, for the direction and manner in which we move will affect the world for many generations to come.

In the post-war period GATT has been the only contractual agreement between governments embodying legal rights and obligations and laying down rules for the conduct of international trade and for the maintenance of order in trade relations between countries. There is no other set of international trade rules involving contractual commitments. The application of the GATT rules and principles has promoted a degree of stability and order in world trade and trade relations that would not have existed without them.

The positive results in terms of the expansion of international trade and trade co-operation of which the Kennedy Round provides the most recent evidence - have been substantial and are an endorsement of the liberal, multilateral approach to trade promoted by GATT.

There are criticisms of the GATT rules on the grounds that governments have too often departed from them. There is some substance in this criticism. But it does not detract from the basic effectiveness and legal validity of the rules. The existence of the rules and a sensitivity to international opinion have on innumerable occasions deterred governments, when faced with domestic difficulties, from pursuing restrictive external trade measures inconsistently with their GATT obligations. They have also often enabled governments, when under pressure from domestic sectoral interests, to resist demands for the adoption of such measures. Similarly, the facilities provided by the GATT consultation
procedures have on many occasions been used by governments for the settlement of trade disputes that had arisen between them and that might otherwise have led to retaliatory measures. It has been principally due to the play of the GATT principles that a return to the disastrous beggar-my-neighbour policies of the nineteen thirties has been avoided, even in times of recessionary tendencies in the economy.

We should seek an ever-increasing degree of free trade. In the pursuit of this objective we should continue to make whatever adaptations are required in our techniques, procedures and priorities. We should continue to be flexible and pragmatic in approach. But nothing should be done to weaken the GATT principles and basic doctrine, or the close international co-operation in the trade field that they represent. To do so could lead to the fragmentation of the international trading system that has been built up so painfully and that has paid such good dividends. It would be the negation of the concept of economic interdependence and complementarity between nations, upon which the GATT is founded and which the great advances in technology and science make increasingly necessary. A phenomenon of our age is the persistent demand for change. This, unfortunately, too often means change simply for the sake of change.

These observations will, I hope, provoke some discussion of these matters. For they are vital to the future of international trade and to international trade co-operation. In this context, the GATT's performance over the past twenty years is clearly on the record.