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FORTY-SIXTH SESSION OF THE CONTRACTING PARTIES

Opening statement by the Chairman
Ambassador John M. Weekes (Canada)

Geneva, 12 December 1990

Ladies and Gentlemen,

I have the honour to welcome you to this forty-sixth session of the Contracting Parties of the GATT. I must confess that I was looking forward to this being a somewhat happier occasion, even perhaps a celebratory one. In fact, only a few days distant from the completion of the TNC meeting in Brussels we share some sense of collective frustration and lost opportunity.

That said, this is not the time for despondent introspection. Nor indeed is it a time for recrimination. In going about our work for the next two days we will inevitably feel the weight of the challenges that still face us in the Uruguay Round. But at the same time we are working in the context of the GATT - a system and an institution which exists, which functions and which remains the only safeguard against the law of the jungle in trade. For the moment the GATT is all we have. We have to look after it.

It is traditional for the Chairman in his opening address to look briefly at the state of world trade. This year concern over the slowdown in economic growth is an unfortunate reality. GATT's economists have reported the possibility of a 6 per cent increase in world trade during 1990, though with some uncertainty about trends in the final few months of the year, particularly given the instability in oil markets engendered by the crisis in the Gulf. So, we are already seeing a decline in the very favourable levels of trade growth in previous years.

We should ask ourselves the question: If the Uruguay Round fails can we count on the status quo in terms of trade prospects? In my view it would be a brave person - or a very rash gambler - who was prepared to make that assumption. The fact is that without the reinforcement and extension of the trading system which for the past four years we have been seeking, world trade prospects are likely to regress seriously. The system that we have now with all its admitted imperfections may no longer be able to serve as one of the principal engines of economic and social growth and development.

Let us look at the work of GATT itself. A principal area of work in the past 12 months has been new accessions. We have moved from 96 to 100 contracting parties with the very welcome additions of Bolivia, Costa Rica, Tunisia and Venezuela. Right now we have another eight countries at one stage or another in the accession process. It has been noted before that the political price these countries are being asked to pay for membership can be a high one. Their determination to proceed, however, reflects their conviction that it is a price worth paying, that it fits comfortably with the major economic changes they are undertaking unilaterally and that such a commitment to the multilateral system is necessary in the light of the sweeping changes expected from the Uruguay Round. This has been the view taken by many developing countries and most of the countries of Central and Eastern Europe. Some of those countries are represented here today. They are perhaps beginning to wonder whether the reforms and commitments they have undertaken could have been misplaced if the longstanding GATT members who have encouraged them appear unable themselves to live up to the key objectives in the Uruguay Round.

The second area of GATT work which I need to highlight is that of dispute settlement. Five reports have been adopted since the last Session and discussion has taken place in the Council on a further 11 disputes. While the dispute settlement system has continued to work for the most part effectively we are all aware of the recent linkage between commitments to implement adopted reports and the Uruguay Round. Once again we see the inevitable relationship between a need for a rapid and successful outcome to the Round and the future smooth functioning of the GATT.

The third and last of the activities of the contracting parties which I should mention is the trade policy review mechanism. This has been the first year in which the review system has worked fully - but, of course provisionally pending the outcome of the Uruguay Round - and I think we can offer ourselves and the secretariat some modest congratulations. It is evident to us all that we have in these reports and discussions the basis for developing a uniquely effective multilateral instrument of surveillance and assessment. From the day the first reports were tabled we began to break down the walls behind which trade policies have too often been sheltered from public view. That can only be a healthy development. I believe that those countries which have already been covered (Australia, Canada, Colombia, Hong Kong, Japan, Morocco, New Zealand, Sweden and the United States) would admit to having drawn considerable benefit from their experience.

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Ladies and Gentlemen, it is very evident that the GATT does not exist in a vacuum. In my remarks I have found it difficult to isolate our activities as contracting parties of GATT from our activities in the Uruguay Round. For the time being we have to cope with the fact that uncertainty in the one must reflect itself in the work of the other. Nevertheless, the work of the GATT as it is must go on. Governments - especially those in developing and other countries undergoing economic reform - need it more than ever. And decisions to trade, to invest and to create jobs have never been more dependent on a stable and coherent trading system. The importance of this Session should not be seen as diminished by the events of last week.

May I repeat that it is a great pleasure to welcome you to this forty-sixth Session of the GATT contracting parties which I now declare open.