

GENERAL AGREEMENT ON

Spec(93)24
1 July 1993

TARIFFS AND TRADE

COUNCIL
16-17 June 1993

FAREWELL TO THE OUTGOING DIRECTOR-GENERAL, MR. ARTHUR DUNKEL

The following reproduces in extenso the statements made at the Council meeting held on 16-17 June 1993 by the Chairman of the CONTRACTING PARTIES, Mr. B.K. Zutshi, the Chairman of the Council, Mr. A. Szepesi, and the Director-General, Mr. A. Dunkel, on the occasion of the latter's retirement from the GATT.

Mr. Zutshi, Chairman of the CONTRACTING PARTIES, said the following: "Mr. Chairman, this one is about Arthur Dunkel, the Director-General, and my capacity is that of CONTRACTING PARTIES' Chairman. Words are mine, but I am sure sentiments are those of all my colleagues present here today. I said that this was about Arthur Dunkel, the Director-General. I should, however, add that this is about Arthur, the man also. I would venture that this be the CONTRACTING PARTIES' tribute to Arthur, the official and the man.

Arthur Dunkel is demitting office at the end of this month after nearly 13 years at the helm of the GATT and, if I may say so, what 13 years! A period in which the little-known and even less-understood acronym the "GATT" has become a household word in the better part of the world. This transformation of the image of the institution and perceptions about how it relates to the real world is no less due to Arthur's untiring efforts at projecting the true nature and scope of the GATT and its relevance to the real world than to the exertions of participants to give it a new dimension and to lick it into shape through the Uruguay Round negotiations. This was supposed to be a rich men's club, not so long ago. Not that it has altogether shed that faintly unsavoury reputation, but today it is being seen as a possible vehicle for ushering in a new era of cooperation and multilateralism, based on a set of fair and equitable rules in trading relations among nations. This is not to belittle GATT's achievements so far; what it has done already for world prosperity, particularly for the Western developed countries is impressive; that the world trading system has not emerged juster and more equitable is certainly not because of lack of any effort on his part. We all know how much he has exerted in that direction; I know it personally in the context of textiles. He is, of course, a pragmatist also and believes in taking, and advising others to take, what may be possible now so as to be able to live for the day when more could be had.

He has, in particular, nursed a vision of the GATT: to gain for it its rightful place in the Trinity of Institutions conceived at Bretton Wood's for orderly development of trade and financial relations among

nations with a view to ushering in world peace and prosperity. His vision has extended to encompass a whole gamut of economic relations in the world based on fairness, equity and a strong commitment to multilateralism. On the notion of multilateralism, as opposed to that of unilateralism/ bilateralism, as the bedrock of international trade and economic relations, he has never faltered, never wavered.

I need hardly dwell on his contributions to the negotiations in the Uruguay Round. His untiring efforts in bringing the Round to where it stands now is too well-known to need any reiteration. It may well turn out that the defining moment of these negotiations was the tabling of the Draft Final Act Text of December 1991. We all know what personal efforts he made and what risks he undertook in the autumn of 1991 to bring out that Text. He has thus a secure place in the history of trade and economic relations between nations during this period. We are too near him to assess the true worth of his contributions. History will do that. That verdict may well surprise even Arthur Dunkel himself.

That was Arthur Dunkel, the official. If I may now turn to Arthur, the man. From time to time I have disagreed with him, often mildly, but sometimes rather strongly. So, I am sure, have others, at sometime or another, but still we all have been able to retain his friendship, goodwill and mutual respect. That is the hallmark of a gentleman. Nothing reflects this better than my own experience, if I may share it with you. Arthur has always given me the impression that India has a special place in his heart, not that I recall his saying so in so many words, or in specific terms, but by way of a word here, a hint there and by his grasp of our problems and concerns he has created this impression on me. In the beginning, I thought this was unique for India, until I discovered, with a tinge of disappointment, but also with understanding and appreciation, that he had been able to convey the same impression to others also about them; not in the sense of being everything to everybody but in the sense of conveying a feeling of singular value to each contracting party and each participant in the Round. This is a reflection of the special quality of empathy he possesses, a rare gift. He may not always have been able to help, but he always understood and appreciated.

Like all of us he presents a mask to the world, giving the impression of a suave diplomat, weighing his words carefully and making his moves on the chess-board of multilateral trade diplomacy with deliberation. When he drops the mask, which is rather rare, you see a sensitive man of feeling and depth of emotion. And then you say: he is human, all too human and deserving of greater esteem on that account.

His awareness of human foibles and failings is acute. For, in his time he has heard and seen us all being inconsistent from one day to the next, contradictory in our approaches from one issue to another, presenting partisan interests as questions of high principle. That this has not bred cynicism in Arthur Dunkel is a tribute to his innate sense of optimism and faith in the commitment of the international community to live by a set of values.

I have talked of Arthur Dunkel, the official and Arthur, the man, separately. However, I am not suggesting that these are two different personalities; these are different aspects of the same person. How do these aspects come together in the person of Arthur Dunkel? I have been thinking about it lately. Last year I read a very profound piece by Mr. Vaclav Havel, the former President of erstwhile Czechoslovakia, a well-known thinker and writer. It was published in the International Herald Tribune under the heading "Planting, Watering and Waiting". It is based on Mr. Vaclav Havel's reflections on his own impatience with the slow transformation of the then Czechoslovakia into a fully-fledged functioning democracy in the Western style. It is a profound reflection on History, and interaction between a man and his circumstances, which I would venture to suggest is what is known as "Destiny". I would call it a metaphor on History and Destiny. In his own words: "I thought time belonged to me. This was a great error. The world and history are ruled by a time of their own, in which we can creatively intervene but never achieve complete control." He adds: "..... I realised with fright that my impatience for the re-establishment of democracy had something almost communist in it; or, more generally, something rationalist. I had wanted to make history move ahead in the same way that a child pulls on a plant to make it grow more quickly. I believe we must learn to wait as we learn to create. We have to patiently sow the seeds, assiduously water the earth where they are sown and give the plants the time that is their own. One cannot fool a plant any more than one can fool history. But one can water it. Patiently, every day. With understanding, with humility, but also with love."

This is a profound metaphor and contains a profound truth and perhaps a crucial lesson for us all individually, and, for the world community as a whole in the context of current international concerns, be they in the fields of economic and political relations or in those of social and human rights. Perhaps, I am digressing. You may well ask where does Arthur come into all this. I believe this metaphor fits him well. For the last 13 years he has been tending the multilateral trading system in the sense envisaged by Mr. Vaclav Havel. Everyday, with understanding and with care, Arthur Dunkel has been nurturing the plant of multilateralism. That is his contribution to the GATT.

That, Mr. Chairman, brings me to what is the best tribute that we can pay to him. The best tribute to him would be to complete the Uruguay Round as soon as possible so that the seed of the Round sprouts and starts growing into a gigantic tree and, in due course, providing fruit and shade to all those it will cover.

Arthur has many active years ahead of him outside GATT. I wish him success in whatever field of endeavour he may choose to take up. This is a goodbye only in a formal sense, for we will have occasions to meet him again. I have also no doubt that, even from outside, his advice and wisdom will be available to us and to the GATT for many more years.

Thank you Mr. Chairman."

Mr Szepesi, Chairman of the Council, said the following:

"May I start my modest contribution by saying that, of course, I can fully associate myself with each word of Amb. Zutshi. While there may be important overlappings with what he has said and what I am going to say, let me also pay tribute to the Director-General by offering a few thoughts on this occasion.

Thirteen years is an extremely important period in the professional career of any person, the more so if this period is devoted to serving as Head of the Secretariat of an extremely important international organization. It is a testimony of the work accomplished that the institution and the negotiations conducted under its auspices are identified, and not only by the public opinion, with the name of one person -- Arthur Dunkel, Director-General of the GATT and Chairman of the Trade Negotiations Committee at Officials level. During his term in office, historical changes have taken place in the world and I dare to use the same adjective, historical changes have characterized the activities of the GATT as well. The General Agreement had 84 contracting parties in 1980, their number as of today, amounts to 111. With the establishment of the Working Party on the Accession of the Russian Federation this morning, currently there are 13 accession working parties in place. In addition, a number of observer countries in the Council have already indicated their ultimate objective of seeking accession to the General Agreement. While 99 countries participated in the Tokyo Round, the Uruguay Round has 116 participating countries. In 1980 there was no provision whatsoever under the GATT for conducting substantive and comprehensive review of individual contracting parties' trade policies and practices. Since December 1989, the trade policies of 33 contracting parties, the EC counting as one, have been reviewed by special sessions of the Council. So much about the figures, which themselves are impressive, but even more important are the reasons and the motivations behind these figures.

During this period of thirteen years, the GATT has changed from a relatively small, rather closed, exclusive and quasi-technical club to an agreement and institution of wide geographical representation, whose activities are debated world-wide almost every day by governments, business circles and public opinion. This is the result of an evolution of basic attitudes and policies of an important number of contracting parties. Recognizing that the success of domestic economy and social policies is largely influenced by the degree of openness of their own domestic economies and is also dependent on the degree of openness of the markets of others, a great number of developing countries and reforming economies in Central and Eastern Europe have embarked on an unprecedented economic and trade liberalization process. These countries now understand that the General Agreement on Tariffs and Trade and the expected successful outcome of the Uruguay Round multilateral trade negotiations are critical to their future development. Thus, we have now a forum where each contracting party, small or big, developing or developed, defends its own economic and trade interests, while working together towards a better functioning world trading system, where increased trade flows generate growth.

Arthur Dunkel, as Director-General of the GATT and Chairman of the TNC, has had to act in this extremely challenging environment. He has understood the basic nature of these changes, their inherent challenges and their likely impact on the trading system. He succeeded in accommodating these changes and has made an important personal contribution to raising the political profile of the institution.

Transparency is a basic precondition for the smooth operation of a truly multilateral system. This has been an important preoccupation of the Director-General and he has made a valuable contribution also in this regard through mechanisms such as the invention and the institutionalization of the smoky Green Room process.

An extremely important, relatively new phenomenon has been the increasing interest of the business community in the GATT and the Uruguay Round negotiations. The Director-General has recognized this, and in his many contacts with these circles he has achieved a fine balance between promoting a better understanding of our activities and the fact that the General Agreement is a contract among governments. Only the Director-General would be in a position to make a rough estimation that, apart from meeting with politicians, how many times he had to participate in meetings with the representatives of the different interest groups, how many lectures he had to deliver in Geneva and abroad.

It should be stressed also in this forum that Arthur Dunkel has spared no efforts in bringing the Uruguay Round to a successful conclusion. His vision and perseverance deserve our personal admiration. He was among the first who understood that a wider, better functioning multilateral trading system, strengthened in its disciplines and enlarged in its scope, can provide the only credible reply to some of the basic challenges of this decade and even those of the turn of the century. His conviction and personal contribution enabled us to overcome the difficulties encountered in Montreal and to establish the necessary basis for continuing the negotiations afterwards. Particular mention should be made to his outstanding personal involvement in the process leading to the Draft Final Act which is commonly referred to as the Dunkel Text.

His excellent credentials, his attention to and understanding of the problems, the ability to identify the political sensitivity of the issues while understanding the sometimes complex technical details behind them, have helped the Director-General in assuming his responsibilities. This outstanding performance has been achieved by showing calm on the surface and certainly hiding the fact that the person subject to these challenges is also vulnerable. I guess only the number of cigarettes smoked a day could reveal what was the actual mood of the person himself.

Arthur, on behalf of us all, let me express once again our appreciation and deep gratitude. We know that our relations in your present capacity are getting close to an end, but we are convinced that the personal relations with you will be maintained also in the future. I believe that one of your secret, or not so secret projects is to share the experiences you have gathered during the years in office in the GATT with the younger generation. Let me express the hope that we also, not so

youngsters, will be in a position to benefit from your advices. May I terminate by quoting Walt Whitman, believing that the poet's vision represents something which was, which is and which continues to be very close to your heart and mind:

"Once thought ever at the fore
That in the Divine Ship, the World, breasting Time and Space
All peoples of the Globe together sail,
Sail the same voyage,
Are bound to the same destination".

Let me reiterate our thanks, gratitude and best wishes to you on this occasion."

In reply, the Director-General, Mr. Dunkel, made the following statement:

"Mr. Chairman, Excellencies, members of the Council, observers in the Council, dear colleagues and friends. To tell you the truth, I have about thirty-three different versions of the remarks I have prepared to express my gratitude to all of you. However, once again, our tireless interpreters will have to work without a safety-net since a reply cannot be prepared in advance, particularly if the reply is in response to the very kind and sensitive words just expressed by Ambassador B.K. Zutshi and Ambassador András Szepesi.

Let me begin by narrating a short story to help you to understand the spirit in which I have lived my marvellous last thirteen years. When three Frenchmen are lost on a desert island, the main topic of discussion among them is to find out who is going to prepare the meal; when three Englishmen are in the same situation, the main topic of discussion is to find out who is going to do the introductions; when three Japanese find themselves in the same situation, you will see that each one of them will take his cordless telephone to ask for instructions from headquarters. To carry this story further, when three GATT negotiators are in the same situation, the subject of discussion is to find out who will be speaking first to welcome the arrival of the newcomers and - this, of course, if Paul Tran is not among them!

Today, I am nearing the hour of handing over the helm of affairs to my successor - and my first thought is to emphasize that I will offer to him the same support and the same advice that I had the benefit of from the late Sir Eric Wyndham White and Olivier Long. This is an exceptional situation. Our GATT, as we like to call it, is experiencing only for the third time since it came into being such a transfer of responsibilities. I would like to express the hope, therefore, that Peter Sutherland will also have the good luck of running the GATT Secretariat and everything that goes with it for a good part of his future life.

The Sessions of the CONTRACTING PARTIES and of the Council are meetings where the Director-General and his Deputies are expected to be present, but to remain silent. They are usually a part of the furniture as it were. When they are called upon to intervene, it is usually a sort of

trap since, in most cases, what is requested from them is a legal opinion - all the more hazardous because the risk of an unfavorable response for the questioner is limited. Indeed, in putting the question the speaker usually makes it clear that, in any case, it is only the CONTRACTING PARTIES who can interpret the General Agreement. In such cases, therefore - and we have experienced some situations of this sort - a great agitation begins at this part of the podium. The Director-General, his Deputies and the legal officers frantically consult amongst each other before the opinion is finally pronounced.

There is no more visible manifestation of what the GATT Secretariat represents. It is a team, and what you see of the functioning of this team during sessions of the CONTRACTING PARTIES or the Council simply constitutes the tip of the iceberg. I would say that the most important common asset that you, Contracting Parties, have, apart of course, from the General Agreement, is the GATT Secretariat team. Without this team, the Director-General simply could not act or even exist. In a few days from now one of my greatest satisfactions will be to pass on to my successor such a competent, dedicated and, above all, loyal Secretariat. May I express publicly my thanks to all its members, who in each and every corner of the house, are serving the interests of the Institution to the best of their abilities. My thanks go also to the Deputy Directors-General who have served with me - Bill Kelly, Madan Mathur and, of course Charles Carlisle. May I ask you also to have a thought for those members of the Secretariat who lost their fight against illness whilst they were still active members - Jan Tumlir, Jacques Nusbaumer, Dominic Liu, Jean Molière and, only a few days ago, Monique Barbier.

For thirteen years it was my responsibility and privilege to lead the Secretariat. These thirteen years will remain engraved in my memory; more, perhaps, because of the human aspect than because of any substantive element. B.K. Zutshi has perceived this very well.

The General Agreement is, in fact, an extraordinary instrument. The founding fathers had the vision to foresee all the evolutions that have occurred during the last decades. When I had my first contacts with the GATT, the focus was on tariffs and quotas. Little was said at the time about subsidies or dumping, or regional agreements, with the exception of course of the European Community. Trade disputes were low-key affairs - nothing compared to the prominence of safeguards and balance-of-payments issues. Today we are attempting a comprehensive overhaul of the conditions of competition only to find that the basis for the solutions we are aiming for are already there in a text written more than forty years ago! Today, with the Cold War consigned to history, we have the unique opportunity of making the original GATT vision truly universal in character. That we are indeed moving in this direction is one of my major sources of satisfaction. Even today, the Council has accepted the request for accession from the Russian Federation.

The end of the Cold War has, however, also placed your governments and all of us in a situation infinitely more complex than before. I am speaking very frankly, and now, in a personal capacity. I know very well that on many occasions, the argument used in order to achieve certain trade

and economic goals has been that of strengthening one camp against the other. This argument is now dead wood. Our task is now to explain, to justify the validity and usefulness of the GATT vision in more concrete and meaningful terms. It is a tremendous challenge to demonstrate that further market opening is an instrument towards economic and social progress, particularly in this phase of recession and growing unemployment. You can be assured that I will be with you in this battle in the years ahead.

From silence and self-restraint in the formal GATT meetings, let me now turn to the other part of my GATT life - the role of professional Chairman! This brings me, of course, to the Trade Negotiations Committee, the Textiles Committee, the Group of Negotiations on Goods and, let us not forget, the dormant, but hopefully not buried, Consultative Group of Eighteen. These Chairmanships, and others, have certainly been the most challenging part of the job particularly because they were all linked to improving, strengthening and developing the existing rule of law.

As for the Uruguay Round, my first words are words of thanks to the Ministers who have chaired some of our most difficult negotiations along the way. First, Minister Iglesias who was instrumental in putting into place what is now historically known as the Punta del Este Declaration. Then Minister Zerbino who guided us at the mid-term review at Montreal. Then Minister Gros Espiell who had the responsibility of saving the Brussels meeting from a catastrophe. And now Minister Abreu whose commitment to a quick and successful conclusion of the Round is a major encouragement to your efforts.

From one perspective the Uruguay Round has already achieved a great deal. From another point of view we still need a bit of luck to realize its full potential. If we are so near the conclusion of the Round it is because all the ingredients are available. It has become common practice to speak of the Dunkel Draft. I accept the responsibility of having put this document on the table, but that is all. In fact, the Draft Final Act is the result of a collective effort by governments and I would like here and now to express my deep appreciation for all who have, at different stages of the process, chaired the negotiations, formally and informally with all the personal risks involved. It is true that the Round has been conducted against a background not always as friendly as we would have liked. We had a financial crash from which we recovered; we had the Gulf War; we had to compete with the negotiations on Maastricht and NAFTA; we had, of course, elections in every one of the contracting parties during the last thirteen years! But, all this notwithstanding, I am convinced that we have now the best window of opportunity to conclude the Round. And, at the risk of immodesty, the best gift that you can give me is the Round's conclusion.

Perhaps the most enriching part of my tenure has been the personal links that I was able to establish with the most extraordinary variety of people round the world. Let me give you a few examples. I remember a meeting with Japanese farmers in Tokyo where my Japanese friends had taken great care to convince me that the farmers in Japan were not just the toiling, hard-working human beings we see in pictures, but also bright young boys and girls. I remember also a meeting in the Green Room with the

French "Etats généraux de la Culture" - not "l'Agriculture"! The participants were all professional artists. The famous comedian - Rufus - and film producers, writers, musicians and so on. To cut a long story short, we met for more than two hours. What they discovered to their surprise was: one, that the Draft Final Act was not a secret document; two, that it was available in French, one of GATT's official languages; and three, more importantly, that the GATT Secretariat was aware of all their concerns and expectations.

Of course, the most extraordinary experience that we have shared was to have all the farmers of the world behind "the iron doors" of the GATT premises. And here I cannot resist saying that on that occasion, on that only occasion, I had a "row" with the Genevese police when I asked them to open the doors so that the demonstrators could come in, instead of being crushed due to the pressure from the people behind. I have no regrets, and if I am speaking of this event, it is only to give you another sample of the life of a Director-General of GATT. B.K. Zutshi's choice of Vaclav Havel's quotation is an extraordinary coincidence, or perhaps, B.K. Zutshi can read my mind. Vaclav Havel and myself have had a number of brief but intense meetings. We have also something special in common in that we are both recipients of the Prize of Liberty awarded by the University of St. Gallen. President Salinas of Mexico is also a laureate.

To conclude my remarks, I want to inform you that my office tells me that I have made two hundred and forty-five speeches during my tenure as Director-General. I sympathize with those who have had to listen to these speeches. But, I should also say that there has been one common theme behind all of them, and you know what it is.

A last point, I would like to think that the best things I will be leaving behind are the two trees planted in the grounds of GATT, one by Swiss farmers, and the other by our Japanese friends. Trees are a good example of growth and evolution. They start by looking very small and fragile but day after day they keep growing bigger and stronger. The GATT is our tree and I hope that it will continue to grow. Please give it room to grow. Keep the GATT open.

Thank you very much."