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"CONSUMERS OF THE WORLD UNITE, YOU HAVE NOTHING TO LOSE BUT YOUR CHAINS"

says GATT Director-General in calling for consumer support for Round

On 23 May, in Washington, Mr. Arthur Dunkel, Director-General of GATT, received the annual award of the Consumers for World Trade group (see Press Release GATT/1481). In accepting the award from Ambassador Carla Hills, United States Trade Representative, Mr. Dunkel stressed the interests of consumers in a successful conclusion to the Uruguay Round of multilateral trade negotiations.

Attached is the text of Mr. Dunkel's speech.

It is a great honour and pleasure for me to be with you tonight to receive this award from the Consumers for World Trade.

Ambassador Hills, you and I have met on many occasions and under many circumstances. I have no doubt that our meetings will continue and become more frequent. But our encounter this evening will always remain a highlight of our cooperation and friendship. Thank you for your kind words and for taking on the rôle of introducing me this evening.

I know, that in receiving this award, I follow a succession of very distinguished recipients. Some of them I am proud to count among my personal friends. And there are, of course, others whom I have always wanted to meet !! Their commitment to open trade and undistorted competition and their outstanding contribution towards strengthening and expanding the multilateral trading system have stood us all in good stead. Their support, and the support of organizations like yours, gives us the courage to plan ahead with conviction. And this is vitally important. The GATT, which has provided the framework of rules for the international trading system in the last four decades, is now at a crossroads.

Indeed, the Uruguay Round is not just another negotiation. Those who consider it a continuation of the seven previous rounds of GATT negotiations are, at best, only partly correct. The Uruguay Round is about the very existence and future of the GATT system. It is about fundamental reform of the multilateral trading system. It is about adjusting it to the changing needs of traders, producers, exporters, importers - and consumers - for the rest of this century and beyond. It is about bringing effective multilaterally agreed disciplines to bear on trading relationships. And, finally, it is about tackling the uncertainty in the international economic environment through security, predictability and the rule of law.

If the Uruguay Round succeeds, the GATT will become healthier and more complete. And, above all, the GATT will have achieved the major objective of its founders: bringing together under one market-based system all trading nations from the North, the South, the East and the West. If the negotiations fail, the GATT - and the values behind its creation - will tend, more and more, to be ignored, set aside and violated. It is as simple as that.

Failure is unthinkable. When a large number of Asian, African, Latin American, Central East European countries - not to speak of the Soviet Union - are turning to the GATT as the means of integrating themselves into the world economy, nations which are members of GATT and have benefited so greatly from it for so long, cannot now fail their own system. When the rest of the world is discovering that there is no viable alternative to the values of free competition and entrepreneurship we cannot now be seen to be faltering in our own convictions. The Uruguay Round is, therefore, more than a negotiation. It is a cause. And I consider that the creation and presentation of this annual award is an invaluable contribution to this great cause. For this reason I am doubly honoured to receive it.

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It is a particularly unaccustomed pleasure too I might add. Director-Generals of GATT have no substantial record of picking up prizes for their labours and those of their associates.

On the contrary, if I and my two predecessors, Wyndham White and Olivier Long, have not actually been regarded as public enemies number one, we have certainly been blamed, from time to time, for most of the sins and ills which rain down on business the world over. Yes the GATT, and the philosophy GATT represents, has been often admired for the immense contribution to economic growth and prosperity in the past four decades. But the GATT has also been seen as an unpleasant obstacle when some particularly unsound reasoning or policies are sought to be justified for domestic reasons.

At various times we are charged with the attempted murder of the textiles and clothing industries of the industrialized world; with threatening language towards Japan's rice farmers; with assault and battery on Canada's dairy sector; the placing of explosives under European agricultural policies; with pointing a loaded rifle at managed trade in sectors like steel, automobiles and semi-conductors, and with attacking policies conducted under strange numbers in trade policy jargon such as Arabic 22, 301 and 113, and Roman XVIII, XIX and XXIV.

Honouring anyone in the field of trade policy is, therefore, a risky business. There are few, if any, heroes. We are all practising the art of the possible but without abandoning our basic principles. The distinguished men and women who have occupied the Office of the United States Trade Representative are little different from the line of holders of the title "Commissioner for External Relations of the European Communities" or, for that matter, from trade ministers round the world. All have sought to do their best, knowing the wisest course of action, but unable always to keep to it.

If we are looking for heroes, perhaps we should consider the drafters of GATT or those American statesmen, like Secretary of State Cordell Hull, whose vision brought the world back to multilateralism after the tragic experience of the inter-war period.

However, as in many fields of endeavour, the real heroes - whose principles were uncluttered by the baggage of compromise - are to be found in the Nineteenth Century. Some of you may recall the name of Richard Cobden from your schooldays. Cobden, an industrialist turned British parliamentarian, offended Westminster with speeches praising the political system and economic vigour of the United States in the 1820s and 1830s. So he is an attractive figure for Americans!

But Cobden was more notable as the man who led and won the long campaign for the repeal of the Corn Laws. For several hundred years the Corn Laws had kept wheat imports down - or banned them altogether - in order to keep up prices for domestic farmers who, in turn, needed to pay their landlords.

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Cobden, and his Anti-Corn Law League, brought the consumers out on the streets (and, often, close to violence) to protest trade policy. I may invite you to do the same someday.

Listen to Cobden advising a supporter: "If it can be proved (as it can) that the labourer has less left in dear years, then it must be clear that he has less left to spend with the tailor, shoemaker, grocer, and this brings you to the shopkeepers case and enables you to prove that they are injured by the high price of food."

The point of that statement is no less valid today than 150 years ago. Bad trade policy decisions do damage economic activity and prospects. Protection in one sector has to be paid for in others. And the idea of a transparent assessment of the effects of protection, to help those damaged to understand their own plight, is something that even today few governments have been able to accept. Nevertheless, it is on the table as a proposal in the Uruguay Round.

The arguments against protectionism remain as they have always been. But, in the GATT, we now have a unique multilateral instrument which has persuaded and cajoled and convinced governments to do the right thing for over four decades. Indeed, GATT probably succeeded to the point where, a few years ago, people began to ask if it had reached its limits. The launching of the Uruguay Round provides a clear answer - a flat no!

All agree that GATT's multilateral rules and principles are as valid today as they were at the beginning: to the point that the Uruguay Round aims to extend their scope and coverage to deal with the fundamental changes taking place in the world economy.

- Over two-thirds of GATT's members are developing countries and many of them are extremely successful traders. That is a change.
- The countries of Central and Eastern Europe, the Soviet Union and other centrally-planned economies are now urgently seeking to adapt to market-based systems. That is a change.
- Patterns of merchandise trade have become much more diverse - many more products, many more sellers, many more buyers. That is a change.
- Government exchequers have found vast sums of taxpayers money to subsidise their manufacturers and farmers into increased market shares. That is a change - and this time for the worse!
- The banking and payments systems have globalized and deregulated and streamlined themselves out of recognition. That is a change.
- Investment is being made by companies to diversify production and markets around the world on an unprecedented scale. That is a change.

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- The pace of innovation, the exchange of ideas and technology and the need to protect intellectual property have become crucial to business activity. That is a change.
- And the world has also discovered the possibilities for trading services. Air travel has become commonplace. Banking services, construction contracts, insurance underwriting, tourism, accounting services have become global enterprises. That is a change.

These, and many other changes are what the Uruguay Round is all about.

We do not have much time. We have to see movement in the next few weeks. We have established the end of July as the deadline to put in place the profile of the final package. This leaves just a few months to get that profile spelled out into legal agreements for adoption by Ministers in Brussels in December. There have been few international negotiations where so much has had to be done with so little time to lose.

Few people - consumers or otherwise - ever come close to understanding the unfathomable intricacies of the General Agreement on Tariffs and Trade. I should, perhaps, recall a quotation of a Senator Millikin in 1951 who said "Anyone who reads GATT is likely to have his sanity impaired". But, when it is put to them simply and objectively, few people challenge the basic, commonsense principles which underlie all these complexities.

Your organization is playing a major rôle in informing and guiding public opinion. You are looked up to as an example around the world. I can only encourage you and wish you all success. In fact, I should go further and suggest that you establish contact with the community of consumers all over the world as a guarantee of continued support for open and liberal international trade. As classical marxism is rapidly going out of fashion, I should be pardoned for coining a new slogan for international cooperation: "Consumers of the world unite. You have nothing to lose but your chains".

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