MR. CHAIRMAN,

I AM VERY PLEASED TO BE WITH YOU TODAY EVEN THOUGH THE TITLE OF MY ADDRESS HAS A RATHER WORRYING SOUND TO IT. TO TALK ABOUT U.S. - EUROPEAN TRADE RELATIONS AND TO POSE THE QUESTION WHETHER WE ARE NOW COMPETITORS OR PARTNERS IS TO GIVE AN INDICATION THAT THINGS ARE NOT AS THEY SHOULD BE IN OUR RELATIONSHIP. THE SIMPLE ANSWER TO THE QUESTION POSED ABOUT BEING COMPETITORS OR PARTNERS IS THAT WE ARE BOTH. BUT UNDERLYING THAT QUESTION I SUSPECT IS THE FEELING THAT WE MIGHT ALSO BE DESCRIBED AS OPPONENTS, AND IN SOME AREAS ON BOTH SIDES OF THE ATLANTIC, EVEN AS ENEMIES. IN EUROPE, ANTI-AMERICANISM PARTICULARLY AMONGST THE YOUNG, IS GROWING AND I SUSPECT THAT HOSTILITY TOWARDS EUROPE IN THE U.S.

WE ARE, IN MY VIEW, FACING A MAJOR CRISIS OF CONFIDENCE AND THIS STEMS FROM THE WAY WE HAVE BEGUN IN RECENT YEARS TO PERCEIVE ONE ANOTHER. IF I MIGHT SOMewhat CRUDELY SUMMARISE IT, THE PRESENT UNITED STATES ADMINISTRATION

SEEM TO BELIEVE...
SEEM TO BELIEVE THAT WESTERN EUROPE HAS GONE SOFT ON THE SOVIET UNION AND IS AN UNRELIABLE ALLY IN MEETING THE THREAT OF INTERNATIONAL COMMUNISM. THIS IS BALANCED, IF THAT IS THE RIGHT PHRASE, BY THE VIEW OF MANY EUROPEAN LEADERS THAT THE UNITED STATES GOVERNMENT TENDS TO MAKE HIGHLY SIMPLISTIC JUDGEMENTS, IS EAGER FOR CONfrontATION AND EXPECTS ITS ALLIES TO MAKE UNNECESSARY SACRIFICES. I THINK THAT ALL THESE ELEMENTS ARE TO BE FOUND IN THE DISPUTE OVER HOW TO HANDLE THE SITUATION IN POLAND.

THE DEMANDS BY THE UNITED STATES THAT EUROPEAN COUNTRIES SHOULD CANCEL THE SIBERIAN NATURAL GAS DEAL WAS SEEN NOT AS A CONSTRUCTIVE PROPOSAL TO BRING EFFECTIVE PRESSURE ON THE SOVIET UNION BUT RATHER AS AN ACTION THAT WOULD ONLY DAMAGE WESTERN EUROPEAN INTERESTS: EUROPEAN COMMENTATORS WERE QUICK TO POINT OUT THAT WHilst THE ADMINISTRATION WERE READY TO DEMAND OF EUROPE A MAJOR ACTION OF THIS KIND THERE WAS NO SUGGESTION THAT THEY WOULD ...
SOME EUROPEAN COMMENTATORS HAVE USED THIS ARGUMENT IN TERMS OF JUSTIFYING CONTINUED SALES OF U.S. GRAIN TO THE SOVIET UNION. THEY ARGUE THAT THE MORE ONE CAN INSTITUTIONALISE RUSSIA'S INABILITY TO FEED ITSELF AND THUS INCREASE ITS DEPENDENCE ON WESTERN SUPPLIES IS TO REDUCE THE SOVIET'S ABILITY TO ACT AGAINST WESTERN INTERESTS.

THE WAY THE U.S. ADMINISTRATION HAS REACTED TO EUROPE'S REFUSAL TO CANCEL THE OIL PIPELINE DEAL HAS SIGNIFICANTLY WORSENED THE SITUATION. THE INSTRUCTION BY THE U.S. ADMINISTRATION TO U.S. SUBSIDIARIES BASED IN EUROPE AND TO CERTAIN LICENCEES OF U.S. TECHNOLOGICAL PRODUCTS NOT TO MEET THE LEGALLY ENFORCEABLE COMMITMENTS TO THE SOVIET UNION HAS PRODUCED A VIOLENT BUT QUITE PREDICTABLE REACTION. WITH RARE UNANIMITY EUROPEAN GOVERNMENTS HAVE REJECTED WHAT THEY REGARD ...

WHAT THEY REGARD AS A CRUDE UNITED STATES ATTEMPT TO INTERFERE IN THEIR AFFAIRS. NEVERTHELESS IT SEEMS TO MANY EUROPEANS THAT WHILST THERE IS A DISPUTE ON HOW ONE SHOULD HANDLE THE POLISH SITUATION BOTH SIDES HAVE LEGITIMATE ARGUMENTS. IT IS HOWEVER WHEN ONE GETS TO THE LEVEL OF MOTIVE THAT ONE GETS INTO MORE DIFFICULT AREAS.

THERE SEEM TO BE MANY PEOPLE IN THE ADMINISTRATION WHO BELIEVE THAT EUROPEANS ARE NOT RELIABLE ALLIES IN THE ONGOING CONFLICT WITH THE SOVIET UNION. THIS ATTITUDE WAS PERHAPS BEST EXEMPLIFIED BY THE THEN SECRETARY OF STATE GENERAL HAIG'S REPORTED REMARKS THAT ON POLAND "EUROPEANS ARE COWARDLY". NOT ONLY ARE SUCH REMARKS DEEPLY RESENTED BUT THEY HAVE ABOUT THEM A TOUCH OF THE ABSURD. BUT IT SHOULD BE REMEMBERED THAT ONE OF THE ADMINISTRATION'S FOREMOST ANTAGONISTS OVER THIS TRADE SANCTIONS ROW IS MRS. THATCHER, AND ANYONE WHO BELIEVES THAT THE PRIME MINISTER OF MY COUNTRY - WHATEVER ELSE SHE MIGHT BE - IS EITHER COWARDLY ...
IS EITHER COWARDLY OR IS SOFT ON COMMUNISM, IS QUITE FRANKLY TALKING NONSENSE.

WE MUST ACKNOWLEDGE THAT WHEN IT COMES TO A QUESTION OF HOW DO WE HANDLE THE SOVIET UNION IN THE 80s THERE IS A REAL DIFFERENCE OF OPINION WITHIN THE ALLIANCE. AND IF WE ARE TO RESOLVE THIS DIFFERENCE THEN WE SIMPLY HAVE GOT TO ACKNOWLEDGE THAT WE ALL PURSUE THE SAME RESULTS: WE ALL ACCEPT THE NEED TO COMBAT AND DEFEAT SOVIET IMPERIALISM. WE ARE ALL COMMITTED TO THE DEVELOPMENT OF FREEDOM AND DEMOCRACY IN EASTERN EUROPE. I KNOW THAT THERE ARE SOME MEMBERS OF THE PRESENT ADMINISTRATION WHO ARE GENUINELY CONVINCED THAT IF THE WEST USES ITS ECONOMIC MUSCLE THEN IT CAN FORCE THE SOVIET UNION INTO MAJOR CONCESSIONS OVER POLAND AND ULTIMATELY TO THE REST OF THE SATELLITE COUNTRIES. THIS IS NOT HOWEVER A VIEW THAT IS GENERALLY SUBSCRIBED TO BY EUROPEAN LEADERS.

FOR FUNDAMENTAL TO OUR THINKING IS THE BELIEF THAT Whilst PRESSURE FOR CHANGE IN SOVIET BLOC COUNTRIES MUST BE CONSTANT AND UNREMITTING, IT MUST BE RECOGNISED THAT TO ACHIEVE CHANGE WILL NECESSARILY BE A LONG AND GRADUAL PROCESS. NOT ONLY DO WE BELIEVE THAT ATTEMPTS AT COMPREHENSIVE ECONOMIC SANCTIONS AGAINST THE SOVIET UNION ARE MORE LIKELY TO PRECIPITATE AN AGGRESSIVE OVER-REACTION FROM THE RUSSIANS BUT WE ALSO BELIEVE THAT FREEDOM AND DEMOCRACY ARE MORE LIKELY TO COME IN THESE COUNTRIES THROUGH THE "DRIPPING OF WATER ON A STONE" PROCESS THAN THROUGH THREATS OR SANCTIONS. I KNOW THAT MANY IN THE PRESENT ADMINISTRATION FIND THIS VIEW UNPALATABLE AND GENUINELY BELIEVE THAT WE OUGHT TO BE ABLE TO DETER THE SOVIET UNION FROM ACTS OF ADVENTURISM AND TO BRING ABOUT MORE LIBERAL REGIMES IN EASTERN EUROPE. BUT THE TROUBLE WITH THE REAL WORLD IS THAT WHAT ONE OUGHT TO BE ABLE TO DO, AND WHAT ONE CAN DO PARTICULARLY IN ...
PARTICULARLY IN INTERNATIONAL AFFAIRS, ARE OFTEN TWO QUITE DIFFERENT THINGS.

I VERY MUCH HOPE, MR. CHAIRMAN, THAT THESE DIFFICULTIES AND DOUBTS THAT EXIST WITHIN THE ALLIANCE WILL NOT WORSEN. FORTUNATELY ONE OF THE MAJOR STRENGTHS OF THE ALLIANCE IS THE ABILITY OF THE UNITED STATES AND EUROPE TO TALK HONESTLY AND FRANKLY WITH ONE ANOTHER. IF WE ARE TO RESOLVE THESE DIFFICULTIES THEN IT WILL HAVE TO BE DONE IN THIS TRADITIONAL OPEN AND SENSIBLE MANNER.

IT IS OF COURSE QUITE EVIDENT THAT THE CURRENT WORLD RECESSION IS RESPONSIBLE FOR HIGHLIGHTING MANY OF THE DISPUTES IN WHICH WE ARE CURRENTLY ENGAGED. WE IN EUROPE HAVE NOW EXPERIENCED OVER THREE YEARS OF RAPIDLY DECLINING ECONOMIC ACTIVITY, AND THERE IS NO INDICATION THAT THE RECESSION IS BOTTOMING OUT, LET ALONE SIGNS OF AN ECONOMIC UP-TURN.

out of work than are registered. As you can imagine, this situation is having a most damaging effect on European society for all sorts of reasons. With the dreadful memories of the slump of the '20s and '30s in Europe still prominent in the minds of many, unemployment has always been a highly sensitive political issue. Because of this, the pursuit of full employment became one of the principal goals of most, if not all, European governments in the post-war period.

As a result of this, in the 25 years following World War II, the level of unemployment in Europe remained a very low figure indeed. Most European governments sought to keep unemployment down to between 2 and 3 per cent, and in the main they succeeded. During the same period, the U.S. regarded a figure of between 5 and 7 per cent as an acceptable level of unemployment. So you can see that, in a very short time, Europe has moved from being prosperous and at work to being much less prosperous and with many unemployed.

I recognise of course that the United States is also experiencing economic difficulties, and that your levels of economic activity and of unemployment are not as we would all like to see them. And of course this common experience of economic difficulties tends to sharpen the disputes we are having over trade relations.

Before I start to deal with these disputes, and to give you a European view of them, I should like to stress how important I believe it is to me that these difficulties are resolved at the earliest possible moment. For there is no doubt in my mind that, against the background of a world recession, the sort of difficulties Europe and America are experiencing in their trade relations are just the things that give an enormous stimulus to protectionist feelings.

To those of us who believe that an expansion of protectionist measures would be a major threat to our economic prosperity, there are worrying signs on the horizon.
SIGN ON THE HORIZON. IT IS MY FIRM CONVICTION
THAT THE WAY OUT OF OUR PRESENT ECONOMIC DIFFICULTIES
IS TO MAKE WORLD TRADE MORE FREE, AND NOT TO
BE SEDUCED BY THE SHORT-TERM ATTRACTIVENESS
OF ERECTING NATIONAL TARIFF BARRIERS. BUT,
OF COURSE, ONE MUST RECOGNISE THAT THE ACTIVITIES
OF SOME NATIONS WHO CLAIM TO SUPPORT LIBERAL
TRADING POLICIES ARE A THREAT TO INTERNATIONAL
FREE TRADE. I SPECIFICALLY HAVE IN MIND THE
ACTIVITIES OF THE JAPANESE. OUR EXPERIENCE
IN THE EUROPEAN COMMUNITY IS THAT IT IS APPEARING
TO BE IMPOSSIBLE TO GET A NEGOTIATED SETTLEMENT
WITH THE JAPANESE WHICH WOULD LEAD TO THEIR
OPENING THEIR MARKETS IN A FAIR AND REASONABLE
WAY TO EUROPEAN EXPORTS. I AM OF COURSE AWARE
THAT THE UNITED STATES HAS HAD SIMILAR DIFFICULTIES
WITH THE JAPANESE. BUT ONE OF THE WORRYING
CONSEQUENCES OF THE REFUSAL OF THE JAPANESE
TO ENTER INTO MEANINGFUL NEGOTIATIONS IS THAT
THE FEELING IN EUROPE THAT WE MUST TAKE MEASURES
AGAINST JAPAN IS GROWING AT AN ALARMING RATE.
IT IS TRUE THAT MANY PEOPLE DENY THAT THEY ARE
PROTECTIONIST IN THIS REGARD, AND CLAIM THAT
THEY ARE ONLY RESPONDING TO THE UNFAIR TRADING
PRACTICES OF THE JAPANESE, AND THERE IS UNDOUBTEDLY
SOMETHING IN THIS. IT NEVERTHELESS WILL FURTHER
PUSH EUROPE DOWN THE SLIPPERY SLOPE OF PROTECTIONISM
IF WE HAVE TO TAKE ACTION AGAINST JAPAN. I
HOPE WE WON'T, BUT I AM BOUND TO SAY THAT, AS
A COMMITTED FREE TRADER, I FIND IT EXTREMELY
DIFFICULT TO JUSTIFY THE ACTIVITIES OF THE JAPANESE
IN THEIR RELATIONS WITH EUROPE. NOT ONLY DO
THEY CONTINUE TO MAINTAIN MASSIVE AND EVER-INCREASING
TRADE SURPLUSES WITH THE EUROPEAN ECONOMIC
COMMUNITY, BUT THEY ALSO PURSUE MARKETING POLICIES
IN CERTAIN GROWTH INDUSTRIES, LIKE MOTOR CARS,
TELEVISIONS, ETC, WHICH SEEM AIMED AT DESTROYING
THOSE SECTORS OF EUROPEAN INDUSTRY. AND ALL
THIS WHILST AT THE SAME TIME DENYING EUROPEAN
EXPORTERS FAIR ACCESS TO JAPANESE MARKETS.

/IT IS BECAUSE ...
IT IS BECAUSE WE BELIEVE THAT IF THIS TYPE OF ACTIVITY CONTINUES IT WILL INEVITABLY LEAD TO A MAJOR ECONOMIC CONFRONTATION BETWEEN THE EUROPEAN COMMUNITY AND JAPAN, THAT WE HAVE DECIDED TO USE THE PROVISIONS OF GATT TO SEE IF WE CANNOT REACH A FAIR AND MORE EQUITABLE SETTLEMENT. I AM QUITE SURE THIS IS THE ONLY WAY TO DEAL WITH THESE SITUATIONS - TO OPERATE WITHIN THE INTERNATIONAL LEGAL FRAMEWORK AND TO SEEK SETTLEMENT BY NEGOTIATION RATHER THAN CONFRONTATION.

I very much hope that this approach of seeking negotiated settlements within an international legal framework will be the approach of both the U.S. authorities and the European Community in seeking solutions to the differences that exist between us. I can assure you that, as far as the European Community is concerned, this will be our attitude, both in terms of the current disputes on steel and on agricultural exports. For as my colleague, Viscount Davignon, said recently...

Said recently, we accept American assurances that the European steel industry will get a fair trial in the United States. We are equally ready to accept the results of the GATT investigation on agriculture that is currently underway. That is not of course, Mr. Chairman, to indicate that the European Community will not vigorously pursue its case on both these issues. We believe that our actions in these matters have been both fair and legal. On steel, we very much regret that a negotiated agreement yet has not been possible. It is our view that the suggestions that we advanced on maintaining an improved trigger price mechanism should have provided the basis for an agreement. But the U.S. steel industry obviously thought differently and it has had recourse to its legal rights and has filed a whole range of anti-dumping suits. Whilst we in the European Community continue to affirm that the exports of European steel to America does not constitute dumping,
WE ALSO RECOGNISE THAT THE ACTIONS OF THE STEEL INDUSTRY IN HAVING RECURS TO LEGAL ACTION WILL CREATE SUCH A PERIOD OF UNCERTAINTY THAT IT IS LIKELY TO HAVE A MOST DAMAGING EFFECT ON THE MARKET. WE ARE QUITE SURE THAT WE NOW FACE THE PROSPECT OF LOSING A CONSIDERABLE PART OF OUR STEEL EXPORT TRADE TO THE UNITED STATES. THIS WILL NOT BE BECAUSE THE EUROPEAN COMMUNITY HAS BEEN FOUND IN VIOLATION OF ANY AGREEMENT OR OF U.S. LAW. RATHER, IT WILL BE BECAUSE THE VERY ACTION OF THE U.S. STEEL INDUSTRY IN INVOKING LEGAL PROCESSES WILL CREATE SUCH UNCERTAINTY IN THE MINDS OF U.S. STEEL IMPORTERS AS TO VERY ADVERSELY AFFECT OUR TRADE. WE OF COURSE RECOGNISE THAT THE U.S. STEEL INDUSTRY IS ENTITLED TO HAVE RECURS TO ITS LEGAL RIGHTS. BUT WE ALSO FEEL THAT IF, AS A CONSEQUENCE, THE EUROPEAN COMMUNITY LOSES MANY HUNDREDS OF MILLIONS OF DOLLARS IN STEEL EXPORTS, THEN THIS IS VERY ROUGH JUSTICE INDEED. I CONFIDENTLY EXPECT THAT THE VERDICT ON THE RESULTS OF THESE LEGAL MANOEUVRES WILL BE THAT THE EUROPEAN COMMUNITY IS INNOCENT, BUT IMPOVERISHED.

I ought to say, at this juncture, that I am a severe critic of the Community's Common Agricultural Policy. I regard it as absurd that we should undertake an obligation to pay farmers high level prices, often above world prices, for everything they produce without regard to whether the Community requires those products or not. But that, I must also point out, is an argument about how the Community allocates its own resources, and not about the rights and wrongs of agricultural subsidies.

The essence of the Administration's case against our agricultural policy is that the Community is unfairly competing against American farmers for world agricultural markets through the use of subsidised exports. I want to make it absolutely clear that the Community repudiates this allegation. The Community position on the subject of export refunds for agricultural product is not only perfectly clear, but totally conforms with the rules of GATT, which permit export subsidies for primary products. Export subsidies are allowed under GATT provided that the country granting the subsidies does not have more than an equitable share of the world export market for the product in question. This principle is one of the fundamental rules of GATT and was confirmed and made clear during the Tokyo Round negotiations. It is therefore unacceptable that the U.S., principally for ideological reasons should take up a position which throws this principle into doubt, while at the same time calling for stricter application of other position of GATT. But just as we resolved to meet our obligations under GATT, we shall equally insist on our rights, and we hope that the U.S. Administration will do the same. For I am sure that, if this question is to be settled in a fair and...
FAIR AND CONSTRUCTIVE MANNER, IT CAN ONLY BE ON THE GROUNDS OF A MUTUAL RECOGNITION OF OUR RIGHTS AND OBLIGATIONS UNDER GATT. I AM AFRAID THAT AT PRESENT THIS DESIRED ATMOSPHERE DOES NOT PREVAIL, BECAUSE THERE SEEMS TO BE A FEELING IN SOME CIRCLES IN THE ADMINISTRATION THAT IT IS SUFFICIENT FOR PROCEEDINGS TO BE TAKEN AGAINST THE COMMUNITY UNDER GATT REGULATIONS FOR THEM TO BE CONSIDERED PROVEN. HAVING BEEN CHARGED, WE ARE AUTOMATICALLY CONSIDERED AS BEING GUILTY. THIS IS AN ATTITUDE WHICH WE FIND UNACCEPTABLE. THE RIGHTS OR WRONGS OF COMMUNITY PRACTICES CAN ONLY BE ESTABLISHED WHEN GATT PROCEDURES HAVE BEEN COMPLETED, AND THAT HAS NOT YET HAPPENED. I HOPE IT WILL HAPPEN SOON, BUT I AM BOUND TO SAY THAT THE SHEER NUMBER OF COMPLAINTS THE ADMINISTRATION HAS MADE UNDER GATT PROCEDURES PLACES SUCH A BURDEN ON AN UNTRIED SYSTEM AS TO THREATEN TO WRECK IT.

/.../

I MENTIONED EARLIER, MR. CHAIRMAN, THE GROWING CONCERN IN THE COMMUNITY OVER THE GROWTH OF PROTECTIONIST SENTIMENTS, BOTH IN EUROPEAN AND THE UNITED STATES. ONE ASPECT OF THIS WHICH WE HAVE BEEN WATCHING CLOSELY IS THE IDEA OF RECIPROCITY IN U.S. TRADE LEGISLATION WHICH HAS BECOME A FEATURE OF A LARGE NUMBER OF BILLS ON INTERNATIONAL TRADE CURRENTLY BEFORE THE CONGRESS. AS I HAVE ALREADY SAID, THE EUROPEAN COMMUNITY HAS AN OBVIOUS INTEREST IN MAINTAINING AN OPEN AND MULTILATERAL TRADING SYSTEM, AND WE HAVE MADE KNOW TO THE ADMINISTRATION OUR CONCERN THAT RECIPROCITY MIGHT DISRUPT THAT SYSTEM AT A MOST SENSITIVE TIME IN INTERNATIONAL TRADE RELATIONS AND PROVIDE AMMUNITION FOR THE PROTECTIONIST LOBBY. WE HAVE NOTED THAT THE U.S. TRADE REPRESENTATIVE, AMBASSADOR BROCK, SAID THAT THE U.S. WILL CONTINUE TO RESPECT ITS INTERNATIONAL OBLIGATIONS AND WILL CONCENTRATE EFFORTS IN A POSITIVE ATTEMPT TO INCREASE TRADE BY IMPROVING MARKET ACCESS. HOWEVER, WE SHOULD BE CAREFUL...
BE CAREFUL TO ENSURE THAT THE TRADING SYSTEM EMBODIED IN GATT IS NOT UNDERMINED BY NEW U.S. LEGISLATION. IT IS IMPORTANT, I BELIEVE, THAT THE UNITED STATES AND EUROPE SHOULD REMAIN IN THE CLOSEST CONTACT ON THIS ISSUE.

IT IS OF COURSE, MR CHAIRMAN, IMPERATIVE THAT THE UNITED STATES AND EUROPE REMAIN IN CLOSE CONTACT NOT ONLY ON SUCH ISSUES AS RECIPROCITY, BUT INDEED IN ATTEMPTING TO EVOLVE A STRATEGY TO DEAL WITH OUR CURRENT PROBLEMS. THE PRESENT STATE OF WORLD TRADE REPRESENTS THE GLOOMIEST SITUATION SINCE THE WAR. IN 1980 CYCLICAL DOWNSWINGS IN THE MAJOR INDUSTRIAL COUNTRIES COMBINED TO MINIMISE GROWTH IN THE VOLUME OF WORLD PRODUCTION. AND IT IS CLEAR THAT INFLATION AT PRESENT LEVELS WILL NOT ALLOW INDUSTRIAL COUNTRIES TO ATTAIN A RATE OF ECONOMIC GROWTH SUFFICIENT TO PERMANENTLY REDUCE UNEMPLOYMENT.

IN THE COMMUNITY THERE IS SOME HOPE, STARTING IN THE SECOND HALF OF THIS YEAR, FOR A MARGINAL INCREASE IN GROSS DOMESTIC PRODUCT, POSSIBLY OF THE ORDER OF 1 PER CENT. THIS COMPARES WITH A NEGATIVE GROWTH OF 0.5 PER CENT IN 1981. IN THE UNITED STATES, THERE IS ALSO SOME HOPE OF MARGINAL GROWTH ROUGHLY OF THE SAME ORDER, STARTING IN THE SECOND HALF OF THIS YEAR.

THESE PROSPECTS ARE TO BE WELCOMED, BUT EVEN SO WE MUST RECOGNISE THAT THE DANGEROUSLY STAGNANT SITUATION IN RELATION TO WORLD TRADE CONTINUES TO PUT STRAINS ON THE SOCIAL FABRIC OF OUR SOCIETIES WHICH IMPERIL THE OPEN WORLD TRADING SYSTEM ON WHICH THE PROSPERITY OF THE FREE WORLD HAS BEEN BUILT SINCE THE WAR. IT IS THEREFORE OF THE UTMOST IMPORTANCE THAT WESTERN GOVERNMENTS LAY THE FOUNDATION OF WORLD ECONOMIC RECOVERY. THEY MUST TRY TO TURN AWAY FROM THEIR DIFFERENCES AND DISPUTES AND DEFINE NEW AREAS AND INITIATIVES PARTICULARLY /ON MATTERS OF ...
ON MATTERS OF TRADE, THEY MUST DEVISE A STRATEGY FOR THE GATT MINISTERIAL MEETING - WHICH WILL BE ATTENDED BY 80 MINISTERS OF TRADE IN NOVEMBER OF THIS YEAR. THEY MUST ENSURE THAT THIS MEETING IS A SUCCESS, AND THIS WILL ONLY HAPPEN IF WE ARE ALL SEEN TO BE RE-COMMITTING OURSELVES TO THE OPEN WORLD TRADING SYSTEM AND THE RULES OF GATT. I RECOGNISE THAT IT IS NOT REALISTIC TO ASSUME THAT THIS MEETING CAN SIGNAL THE START OF A NEW ROUND OF TRADE NEGOTIATIONS. THE RESULTS OF THE TOKYO ROUND HAVE STILL TO BE IMPLEMENTED. NEVERTHELESS, THE GATT MINISTERIAL MEETING COULD PERFORM A SIGNAL SERVICE IN ISSUING A TOUGH DECLARATION ON THE NEED FOR THE MAINTENANCE AND THE DEVELOPMENT OF THE WORLD OPEN TRADING SYSTEM AND IN SETTING IN HAND A WORKMANLIKE PROGRAMME OF SPECIFIC ACTIONS TO FOLLOW UP THE MAJOR LIBERALISATION EFFORTS OF THE TOKYO ROUND AND TO INAUGURATE A NUMBER OF STUDIES THAT COULD PREPARE THE GROUND FOR FURTHER TRADE NEGOTIATIONS.

A FAILURE TO AGREE ON MAJOR POINTS COULD HASTEN THE END OF THE BROAD CONSENSUS ON AN OPEN TRADING SYSTEM WHICH HAS PREVAILED SINCE THE WAR, AND COULD MARK THE BEGINNING OF A REVERSION TO THE PROTECTIONISM - WITH ALL ITS POLITICAL CONSEQUENCES - OF THE 1930s. IT IS, MR. CHAIRMAN, BECAUSE THE PROSPECTS OF ECONOMIC DISASTER REMAIN GREAT THAT IT IS ESSENTIAL FOR THE U.S. AND EUROPE TO WORK TOGETHER. THE DIFFICULTIES AND DISPUTES WHICH ARE CURRENTLY TROUBLING US ARE COMPLETELY INSIGNIFICANT WHEN COMPARED WITH THE DANGERS WE FACE IF WE FAIL TO EVOLVE JOINT ECONOMIC AND TRADE POLICIES. FORTUNATELY I REPOSE COMPLETE FAITH IN THE ULTIMATE GOOD SENSE OF THE PEOPLES OF THE UNITED STATES AND OF EUROPE, AND THEREFORE BELIEVE WE WILL OVERCOME THESE PROBLEMS.

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/A FAILURE TO ...