

Text of Message addressed by M. Rey

to

the XVth Conference of the GATT in Tokio

November 1959

Reply to the Speech

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Mr. Chairman,
Ministers,
Gentlemen,

It had long been agreed that I should go to Tokyo to attend the first part of the Fifteenth Session of G.I.F. and particularly the meeting of Ministers which is now beginning.

Unfortunately, as I am ill in a nursing home and unavailable for a fortnight, it is impossible for me to carry the plan through, and I have been obliged to cancel the journey at the last moment.

I wish, however, to send you a message expressing briefly what I would have said at greater length if it had been possible to be with you.

My first thought is that I would like to thank the Japanese Imperial Government which has invited and received the Conference.

I would have particularly appreciated taking part, not only in your work, but also in the visits arranged for the next few days by the Japanese Government; these I have given up only with very great regret.

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The first aim of this meeting is to take note of the changes which have come about in the world as a result of the return to convertibility.

No one is more conscious of these than the countries of Western Europe, which benefited for ten years by the intelligent, generous and effective support of the United States in the restoration of a Europe devastated by the second world war.

At this moment, when the great American statesman who gave his name to the plan for the economic restoration of Europe has just passed away, we must express both our gratitude for the aid given us and our recognition of the fact that, as our countries have now recovered their health, there is no justification for prolonging a state of affairs which is losing its *raison d'être*.

As long ago as 1 March of this year our Commission, in a Memorandum intended for the Governments of Member States but ranging broadly over the current economic problems of the world as well as those of Europe, expressed the opinion that quantitative restrictions must progressively disappear. We have just reaffirmed this view in our Memorandum of 22 September and we believe that, apart from certain exceptional cases which will need to be defined in a limited and restrictive fashion, these obstacles to international trade must end.

The European Economic Community is fully determined to assume its share of the effort necessary to achieve this aim.

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We have participated with very great interest in the work of the three Committees called into being by the decisions of the Thirteenth Session.

We are particularly happy with the work done by Committee No. I, which now makes it possible for the multilateral tariff conference, called as a result of the proposal of the U.S. Under-Secretary of State, Mr. Dillon, to produce the practical results which are expected of it.

The technical arrangements made seem satisfactory to us; our Community hopes that it will have finished working out its common external tariff by the end of this year, and this will enable it to participate actively in the discussions to be held, at the different stages already decided upon, in preparation for the overall negotiations.

As regards Committee No. II, I do not presume that your Conference will be in a position to discuss the substance of the problems at the present stage. Moreover, our Community would be somewhat embarrassed if it had to do so, because of the present situation of its internal procedures on the joint agricultural policy of the Community.

As you know, it is by the end of this year that our Commission is to submit its proposals on the joint agricultural policy. When it has completed its deliberations, it will consult the Economic and Social Committee and lay its proposals before the Council of Ministers, who will then be in a position to examine them and decide on the joint agricultural policy of the Community. It should further be noted that the Assembly must also be consulted.

However, I do not think that I am anticipating on the studies at present going on if I affirm that our Commission, in the course of its deliberations, has fully realized that the common agricultural policy must be conceived in such a way as to permit co-operation and increased trade between the Community and non-member countries.

As for Committee No. III, I would like to make a few remarks on the trends which are becoming noticeable within our Community in this field:

- a. We note that in almost all the highly developed countries the political leaders stress the necessity of launching a programme of aid to countries in course of development.

Our Community had already expressed similar views in the spring. It believes that on this matter conversations are called for at the highest level between the responsible leaders of the major economic powers in the free world and specialist international organisations. It is above all convinced that the moment has come to leave the sphere of high-flown phrases and noble sentiment and get down to the realm of practical action and effective plans.

The time for talking about the countries in course of development has passed; what we now need is deeds.

- b. Our Community has already made a substantial effort in this field by associating itself, under the Treaty of Rome, with countries in course of development. Naturally, I am aware of the criticisms which have been heard in GATT concerning this form of association and the reservations expressed by some of the signatory States.

It will nevertheless be noted that the effort being made by the Community is in any case entirely in line with what it is desired to construct on a wider plane. In fact we have worked out, with those countries in the course of development which are associated with us tariff machinery that will be of great advantage to them and machinery for financial assistance that is at present being further improved.

While we do not believe that this effort is the most that can be done, it is nevertheless tangible evidence of the Community's state of mind.

- c. We are even doubtful whether it is still possible, in the present political and psychological state of the world, for industrial countries to make agreements in which they pay no heed to the care they should take to support the economy of the countries in course of development.

If the work undertaken in Committee No. III could lead to overall proposals of a concrete and realistic nature,

our Community would be extremely pleased, and I am convinced that the Member States would make their contribution to the general effort which would thus be proposed.

It will not surprise you that our Community is following with very special interest the endeavours being made throughout the world to establish new agreements of regional character.

The trend thus becoming perceptible may have its advantages; it may also have its drawbacks.

The European Economic Community does not claim any privileges for itself. Consequently it can only regard with sympathy the efforts of those who, imitating its example, are endeavouring to consolidate the existing patchwork of small economies.

But the Community is firmly of the opinion that measures of this kind are only justified if they result in economic expansion.

It was this expansion which was the driving force behind those who drew up the Treaty of Rome.

Only when a regional agreement tends towards genuine economic expansion, increased production, the development of trade and higher standards of living, does it benefit not merely a local interest but, at the same time, the interests of world economy as a whole.

We would be happy if the work being undertaken by your Conference could spotlight this truth. A regional agreement which results in expansion is not a selfish enterprise for the exclusive benefit of its members; it is a factor of economic and social progress for third parties also and, consequently, serves the general interest.

It is not for us to pass judgement on the point of whether or not the undertakings at present in hand in Europe and elsewhere in the world are fully consonant with such an objective. We believe, however, that it is very important that this objective should not be lost from view but should, on the contrary, be clearly stressed from the very outset.

Finally, my thoughts turn particularly to the problems which concern the great country whose guests we are.

It is common knowledge that economic relations between Japan and the Member States of our Community have given rise to a considerable number of difficulties and that they have not yet found their final form.

For instance, four Member States of our Community are still invoking the provisions of Article XXXV of the General Agreement, whereas two of them have already renounced these. Furthermore, all the Member States, like the majority of the Contracting Parties in one way or another, organise their commercial relations with Japan on restrictive lines, with the very natural result that serious objections are raised by the Japanese Government.

Our Commission is of the opinion that the establishment of our Community and its progressive development are factors which will tend to normalise these at present varying relationships.

As you know, the commercial policy of the Community will not be entirely common before the end of the transition period. In the meanwhile, the Member States retain autonomous control of their commercial policies and it is the duty of our Commission to make proposals to them, first for the co-ordination, and then for the gradual integration of these policies.

It is precisely in the sphere of relations between our Community and the countries of the Far East that we have made a start on this task. A Working Party is at present engaged on the study of proposals which might draw together the still differing policies of the Member States.

Without wishing to anticipate too much on the conclusions of this study, I would nevertheless like to say that it has been undertaken in such a way as to make us confident of the results and with the fullest good will on the part of the national administrations of our six countries.

It goes without saying that we must maintain contact with the Japanese Government on these problems. For this reason I am particularly happy that the Japanese Government has been pleased to accredit to our Community a very distinguished and experienced diplomat in the person of His Excellency M. Riji WAJIMA, Ambassador of Japan in Brussels, whom I have had the pleasure of knowing for years.

I do not doubt that in this way a comparison of the economic policy of the Community and that of the Japanese Government will be facilitated and that it will be fruitful. Without in the least deluding myself on the difficulties we still have to face, I think that we are now moving in the right direction.

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I would not wish to conclude this message without greeting the authorities of GATT and particularly the Chairman, His Excellency M. Garcia OLDINI and Mr. WYNDHAM WHITE, the Executive Secretary, M. ROYER, the Deputy Executive Secretary, and all their staff.

It has been a great pleasure for us as a Community to work with them for nearly two years. They have always shown great understanding for our problems and, far from considering them as policemen whose task is to see that the provisions of the strict code of the General Agreement are applied, we have found them inspired by general and progressive views on the essential conditions for the development of world trade, and with minds completely open to the alterations in their own house which may one day have to be made in order to cope with new demands.

All this contributes to better organisation and greater solidarity in the free world and to increased well-being for the populations of the less fortunate countries.

I would therefore like to assure them of our Community's determination to be a factor of understanding, unity and progress in this evolution.