

his recent State-of-the-Union message to Congress President Eisenhower has endorsed these objectives, even though in doing so he put forward the customary reservations about safeguards for domestic interests.

In this setting you will see that GATT assumes an importance out of all proportion to what it was in the beginning, when it was a mere off-shoot of the proposed International Trade Organization. I have already pointed out that GATT is flexible and contains among its provisions one which requires a meeting to be held to adapt its provisions to the changed circumstances. Moreover, at the end of this year the tariff concessions negotiated at Torquay are no longer bound since the three-year term will then have expired. Another round of tariff negotiations, similar to that which took place at Torquay, must be held soon.

Even if the bold leadership that is required is not forthcoming in the immediate future, I am still confident that GATT will continue to grow in strength. As the only organization dealing with the problems of trade and commercial policy on a world-wide basis, it fulfills a real need which is coming to be appreciated more and more by the participating countries. Thirty-four of the leading trading nations are contracting parties to the General Agreement. Moreover, each country values highly at least some of the concessions it secured at the three rounds of tariff negotiations held at Geneva, Annecy and Torquay. Hence, no one country would lightly abandon the inroads that already have been made on the tariff barriers to trade.

If, on the other hand, GATT is invigorated through leadership of the kind I have described, then there is no telling what may be the importance of the role which this organization will play in the realm of international economic co-operation. It can become the principal forum for discussion on the formulation of new rules to govern the conduct of international commerce with the least possible interference by tariffs and other barriers to trade. In this way GATT could come to represent the beginning of a new era holding out the promise of peace and prosperity for the free world.

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