

# WORLD TRADE ORGANIZATION

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**50th ANNIVERSARY  
Geneva, 19 May 1998**

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## SWITZERLAND

Statement by H.E. Mr. Flavio Cotti,  
President

On behalf of the Federal Council, I welcome you to Geneva. Switzerland is proud of receiving the world's leaders here on the occasion of the many meetings and conferences held in Geneva.

The reason Switzerland attaches such importance to the international role of Geneva, supports it resolutely and strives to make it better known, is that we are fully aware of this city's importance as a forum where the friendly relations vital for the stability and strengthening of international relations are established and developed.

This role is particularly important to us because the Federal Council, in a desire to open up Swiss foreign policy, has clearly reaffirmed its determination to integrate Switzerland as effectively as possible in multilateral forums, many of which have their headquarters in Geneva. There is no need to recall here the increasingly vital role played by multilateral diplomacy in a globalized world.

There is an important reason why leaders from around the world have gathered today to mark this 50th Anniversary of the multilateral trading system. We are not only here to acknowledge the system's most tangible achievements - the dramatic rise in world trade, the widening and deepening of the rules, or our rapid expansion towards a truly global trading system. More importantly, we are here to commemorate the success of three central ideas: the idea that open borders and non-discriminatory trade can be a force for international stability and peace, as well as prosperity. I say "can" because one further condition is always needed, the political will to achieve social justice and overcome conflict in a spirit of tolerance. The idea that the rule of law, rather than the rule of force is the measure of civilized discourse among nations. And lastly, the idea that one's own prosperity and well-being rests fundamentally on the prosperity and well-being of millions of our fellow men and women.

It was this same vision which guided the architects of this system 50 years ago. In 1948, the world had just emerged from the most destructive conflict in human history. In Europe alone, over 30 million had perished. Great cities lay in ruins. Once powerful economies were on their knees. The challenge for the world's leaders then was not just to rebuild cities and factories. The challenge was to rebuild the world economy and, with it, the whole fabric of international relations. In this context, at the level of the continent the European Union has represented an irreplaceable asset - and it is the President of the Swiss Confederation who affirms this - a Copernican revolution in favour of peace and friendly cooperation in a Europe previously afflicted by permanent and dramatic conflicts. But also at the universal level, the system of economic relations was seen as concerning more than commercial relations. In the vision of its founding fathers, the free flow of goods and services across borders would bring different peoples - as well as different economies - closer - and weave a world of greater interdependence. An open and non-discriminatory system of multilateral rules would replace the exclusionary alliances and deals that had done so much to fuel pre-war rivalries, tensions and

suspensions. Prosperity, through trade, would lift up the world's poor, marginalized and dispossessed and, in doing so, begin to narrow the economic and social divisions which were the roots of human conflicts.

These were ambitious ideas, particularly since they meant overcoming protectionist trends, giving up some of the revenue generated by customs duties, and agreeing to submit any disagreements on implementation of the agreement to multilateral procedures. And yet the system's remarkable advances over the past 50 years have exceeded even the most optimistic predictions. At the beginning of the GATT, there were just 23 members. Now there are 132 - and China, Russia and 29 other accession candidates could well be members early in the next century. World trade has multiplied 14 times since 1950. Foreign direct investment has risen even more dramatically - 25 fold over the same period. Fifty years ago, international commerce essentially meant trade in goods or raw materials. Now, trade in services, trade in information and trade in ideas are becoming essential factors in our global economy.

But the story of the multilateral system over the past 50 years is not just the story of economic progress. It is the story of political progress on the basis of consensus - freely negotiated among all Members. It is a story which makes the multilateral system a powerful example to the broader theatre of international relations.

Today we are commemorating all of these achievements. But we are doing more than that. We are standing firmly and resolutely behind a multilateral system which has become an indispensable pillar of the global economy. We are drawing lessons from the past, but we are using those lessons to provide leadership and guidance for the future.

What do we know of the future that lies before us? First, we know that it will be a world marked by economic integration and interdependence. This is not an ideology or a political agenda. It is the outcome of economic and technical developments which are as powerful as they are inevitable. And it is a process which will have far-reaching implications not only for the world economy, but for the political and social landscape as well. The world presents two faces at the close of the 20th century: one of growth and development on a scale unprecedented in history; but also one shadowed by fears of economic uncertainty and instability. Which face predominates will depend on our willingness to seize and shape its intrinsic opportunities.

This leads to the second certainty about the future. That there will be no single national answer to the opportunities and challenges of the world economy of the future. Nor will there be one single policy response. This new world requires the widest possible cooperation, across the broadest range of issues. Cooperation which reaches beyond economics, to tackle the challenges of development, the environment and social concerns, because we cannot deceive ourselves: social injustice and the gap between the rich and the poor continues to be a characteristic of international relations. A collaboration in which all countries, and all regions, must play their part - not just a select few and not just within limited borders. The multilateral trading system will make a very important contribution to this process - but we cannot expect it to provide the solution to all the problems.

The third certainty is that we will realize the full potential of this new global economy only if the trading system is also truly global in its scope and in its embrace. This is why we must redouble our efforts to bring developing and least-developed countries, as well as economies in transition, fully into the system. Here I am not simply talking about the WTO accession process of the numerous candidates - though this is critically important. We have a moral obligation to help the most marginalized - both within and among countries - to benefit from economic growth and progress. But we also have an interest in reducing the unacceptable disparities between the haves and have-nots, in a world in which social, health or environmental problems increasingly know no borders.

We face a world economy in which the challenges and opportunities are new, but the fundamental choices are enduring. Do we want economic relations between nations based on openness and non-discrimination, or protection and exclusivity? Do we want to embrace economic and technological change and harness it for our collective benefit? Or are we content to let global economic forces shape us?

Like the fathers of the multilateral system five decades ago, we find ourselves at one of history's crossroads - on the threshold of a new era and a new international landscape. There is nothing predetermined about the world we are entering into. It is a work in progress, where the change is the only constant. It is not enough to explain that global change is inevitable. We have to explain where these changes should take us. What kind of global system we want. And how we propose to get there. Like our predecessors, whose vision and determination we are commemorating today, we need to look to the future - and to explain this future to the present. This implies a dialogue marked by confidence at the universal level. I can assure you that Switzerland is ready to play its role in this fundamental and urgent dialogue. Like our predecessors in their time, today we are the sole masters of the future in the new century full of promise that will open up for mankind in 591 days.

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