

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## URUGUAY

Statement by H.E. Mr. Julio Lacarte Muró  
Ambassador, Permanent Representative

Two months after the Ministerial meeting at Punta del Este we are meeting here, at this Forty-Second Session of CONTRACTING PARTIES, determined to elaborate and put into effect detailed trade negotiating plans which must be finalized before 19 December of this year.

Uruguay is committed to the task of imparting momentum to this new GATT round with a view to liberalizing trade and restoring a multilateral trade system that is solvent and worthy of confidence. We are all aware that in some areas, there are important differences between contracting parties that must be reconciled if these objectives are to be attained. Yet we are equally aware that all contracting parties have expressed their political determination, through their Ministers at Punta del Este, to ensure the success of the Uruguay Round and to make progress towards the achievement of the objectives agreed upon and the adoption of a clear-cut position with a view to launching negotiations on all subjects relevant to the world trade situation.

We should agree upon negotiating plans without delay and prepare the way for the rapid and effective initiation of negotiations on substance.

All the topics covered by the Punta del Este Declaration are important, although from our point of view, the subject of agriculture is of paramount significance.

Agriculture is of basic importance to the economy of my country, since over 80 per cent of our foreign currency earnings are generated, in one way or another, directly or indirectly, by the agricultural sector. For this reason we shall make every effort to ensure that this subject receives priority consideration and is dealt with in detail during these negotiations.

We consider that trade in agricultural products should be included, formally and in its entirety, in the body of GATT principles and disciplines governing international trade. It is also our firm conviction that today's critical situation cannot be improved in a sound and suitable manner unless we solve the problem of export subsidies, which is the factor that most disorganizes and distorts international trade in agricultural products at the present time. It is vital that we should tackle this question and negotiate the rollback of export subsidies within the time-limits laid down.

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The results of the negotiations should guarantee a viable, equitable and dynamic framework for international trade that will make it possible to overcome the difficulties that have arisen as a result of the irrational behaviour of international agricultural markets, the proliferation of protectionist attitudes, and the fact that conditions of access are being increasingly threatened by the direct impact of obstacles to trade and the indirect effect of trade practices -- most vexing because they are so unjust -- used by certain competitors.

We are aware of the importance attached to the standstill and rollback commitments -- essentially of a political nature -- assumed at Punta del Este by the participants in the Uruguay Round, and we regard these obligations as being of the greatest significance. In our view they constitute a touchstone that can be used to demonstrate the genuine determination of all, within the framework agreed upon, to put an end to the protectionism that violates the letter and spirit of the General Agreement and that has undermined the foundations of the multilateral trade system through discrimination, restrictions, subsidies and other unfair practices whose elimination would inevitably accompany the success of the Uruguay Round and which, without doubt, constitutes one of the conditions for their success.

In conclusion, we should like to recall what the President of my country, in his opening address at the Punta del Este conference, had to say about protectionism, namely, that we are all losers; we are losing and the major industrialized countries are also losing. Consumers in the industrialized countries are paying more for their foodstuffs, and industrial workers are losing opportunities as a result of this distorted economic situation, in which they have to subsidize another sector of the economy which is less efficient and which is absorbing enormous resources from their treasuries at the expense of taxpayers in general.

If this is occurring in countries with a developed economy, the impact is infinitely greater in countries such as Uruguay, where the present situation is harming agricultural producers; but what is also at stake is our political and social stability, which to a great extent affects the fate of our agricultural producers. The problem is therefore one that goes beyond a purely trade context and beyond what is simply an economic context.

It is this political reality that explains why the main concern of my Government is to strengthen the international trading system. And it is this same political reality that should be borne in mind by all participants in the new round so that the economic objective of a free trade system can go hand in hand with the even more important political objective of strengthening and developing societies that are also free.