

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

MTN.TNC/MIN(94)/ST/94
14 April 1994
General Distribution
(UR-94-0107)

Trade Negotiations Committee
Meeting at Ministerial Level
Marrakesh (Morocco), 12-15 April 1994

Original: Spanish

ARGENTINA

Statement by Mr. Guido Di Tella
Minister for Foreign Affairs, International Trade and Religion

I wish first of all to express our deep gratitude to His Majesty King HASSAN II and the people of Morocco for the warm hospitality and the signs of great appreciation we have been receiving since we set foot in this generous country.

The Uruguay Round, which we are concluding at this Meeting, obeyed the first rule of sound negotiation: the parties involved obtained some satisfaction for their aspirations, but no one achieved the results to which he aspired.

In our country's case we had hoped for better results with regard to market access, and were counting on being able to achieve an agricultural agreement that would finally place that sector on an equal footing with industrial products. We believed that we needed to do away with distortive practices in the matter of internal support and export subsidies and to reduce border protection appreciably.

It is obvious that the results achieved are far from commensurate with those aspirations. Although, with the Agreement on Agriculture, we have managed to reverse certain trends, it is equally obvious that subsidizing practices, which began as an instrument designed to tackle the problems of food supply in Europe, ultimately turned into a form of political sclerosis that is economically very costly to those who contract it and to those of us who suffer its effects.

Other countries, which pursue the strategic and universal objective of defending the sound apportionment of resources and the market economy and which exercise an all-round influence on events, are inexplicably taking up subsidizing practices, on the feeble pretext that they serve to neutralize the policies of other competitors in the international market.

Unhappily, world trade will continue to be distorted on a large scale by such practices.

Nevertheless, this balance of individual frustrations is what has made it possible to achieve a general compromise which today enables us to usher in a new period in international economic and trade relations.

The polished instrumentation of the Uruguay Round will facilitate the creation of new opportunities for trade and investment. That process will help to overcome the recession afflicting many countries in all parts of the world, will help to create new sources of employment and will benefit consumers, who are generally forgotten in international negotiations.

Argentina was among the countries that made an early contribution to this process of negotiation. It took the form of throwing open our economy, lowering tariff levels (which at present average 14 per cent), removing tariffs on imports of capital goods and dismantling bureaucratic systems of protection. International trading operations were deregulated and financial operations liberalized.

These actions enabled us to double our foreign trade in the brief period of three years, and it was thus possible to begin a wide-ranging process of modernizing the production machinery. The principle of economic freedom, applied in a context of monetary and fiscal order, and greater competition have made it possible to achieve stability, give fresh impetus to economic growth and improve the living conditions of the Argentines.

Because we believe in these principles, we set resolutely to work for the success of the Uruguay Round. Today we can subscribe with conviction and determination to the new rules and disciplines of international trade arising out of the agreements that will be signed tomorrow. Only compatibility between those principles and the application of the new rules will enable us to continue our rational progress in the direction of increasing transparency for trade in goods and services and to ensure that compliance with those rules finally dispels the risks of unilateral decision-making.

In view of the foregoing, it is our hope that our actions and contributions in the framework of the Uruguay Round will meet with fair recompense.

The credibility of the system will be at stake in every decision taken by its members, and especially in the measures taken by the countries that carry greatest economic weight. If we are to believe in the system we are setting up today, at least two basic conditions must be met: the Uruguay Round Agreements must be complied with fully and without distortion, and it must be kept clearly in mind that in the sectors of agriculture, textiles and services we have taken only a first step.

In the matter of trade and environment we have begun preliminary discussion of a problem which, with different degrees of emphasis and from different points of view, concerns the whole international community. We hope that the discussion on that subject will take heed of legitimate aspirations.

The link between labour legislation, the practices recorded in that connection and international trade is beginning to crop up in a new form of multilateral debate. The balanced defence of workers' rights is in the best and recognized political and social traditions of my country.

One of our main concerns in dealing with this subject will be not to open the doors to new protectionist measures which, having been intended to protect sources of employment, turn into a mechanism of discrimination and recession.

It is clear that we are witnessing a process of integration of world markets that does not end with the signature of the Uruguay Round documents. There are additional processes which we consider consistent with the rules of the international trade system. Among such processes we identify the first-generation agreements concluded on the American continent. We hope that there will be second-generation agreements that will help to improve trade and the overall competitiveness of the economy.

In the future work programme of the World Trade Organization we shall continue to give high priority to the elimination of measures that affect our international integration, beginning with more detailed development of the rules we have adopted under the multilateral system for the agricultural

sector, among them production support measures and export subsidies. We consider it necessary to include in this approach the urgent negotiation of transparent rules and disciplines on financing and credit guarantee programmes for agricultural and livestock exports.

Until such time as these objectives are attained, we cannot but criticize the policies pursued by certain countries with regard to the placement of subsidized agricultural exports during the transition period. Nor can we approve the present subsidy war, on whatever grounds such subsidies may be alleged to be justified. We cannot allow efficient exporting countries to be ousted from their traditional markets by the use of such weapons, which conflicts with the letter and spirit of the rules we are approving in the Uruguay Round.

I wish to comment for the record on the positive role of solidarity played by the CAIRNS Group in improving the agricultural disciplines we have decided to include in the system of rules which are to govern international trade.

Tomorrow we shall sign an agreement that may become the main support of a new stage in world economic growth.

We are attending an event of historic stature: the establishment of the World Trade Organization. We trust that this stage will be fruitful in substantial advances based on consensus, in conformity with the rules of international law and, more particularly, in firm compliance with the Dispute Settlement Understanding.

Legal security and balanced decision-making form the guarantee that all the peoples of the world, and especially our workers, producers and consumers, may share in the benefits of the expansion of trade and worldwide economic growth.