MULTILATERAL TRADE NEGOTIATIONS THE URUGUAY ROUND

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Statement by Mr. Gérard Longuet Minister of Industry, Posts and Telecommunications and Trade

On many occasions over the last three years, observers have predicted the failure of the GATT negotiations. This showed poor judgement; we all knew that the prospect of gathering in Marrakesh, and the hospitality of our Moroccan friends, would win the day over all our differences. Their warm welcome was an obvious guarantee of successful negotiations.

What I would like to say to you today on behalf of the French Government can be summed up in three words: satisfaction, vigilance and ambition.

Firstly, satisfaction at the outcome of the negotiations. The challenge issued at Punta del Este in 1986 has been taken up. We have strengthened the rules of the General Agreement and laid down new disciplines on intellectual property and services.

We have also collectively agreed to make a great effort towards liberalization and lowering tariff barriers. In the context of the recession from which some of our economies are suffering, this is a great success. The end of these lengthy negotiations is the sign that our will to live together has prevailed over the forces of division.

Satisfaction also as Europeans. Once again it has been proved that "union is strength". The European Union, the foremost trading partner, emerges strengthened from these negotiations. France's European choice is thus justified. Our partners outside Europe thus stand to benefit. The union of Europe is a pledge of its economic openness and of its commitment to the multilateral system.

Obviously these results cast a few shadows. Some expectations have been dashed, for example, by the mediocrity of some offers in the sphere of textiles and clothing.

The negotiations have failed or have not gone far enough in some services sectors or in the sphere of aviation. For the French Government, the results achieved in these various sectors will form an integral part of the overall balance of the negotiations. In this regard I welcome the forthcoming resumption of discussions in the Committee on Trade in Civil Aircraft, which should make it possible to conclude a well-balanced agreement.

Despite these shadows, however, I am satisfied with the overall result as a Frenchman, as a European and as a citizen deeply committed to free trade and international openness.

Is this result enough to free us from the vicious circle of trade clashes and lead us into the "virtuous circle" of cooperation? I am not entirely sure; and that is why I mentioned my vigilance.

First of all, vigilance in the face of possible delays in ratification on the part of one or other of the major partners, or possible liberties in transcribing the texts into municipal law. Our vigilance in those areas will not be caught napping.

Next, vigilance in ensuring that the results of the Round are commensurate with the issues at stake in international trade, which has suddenly become a central feature of governments' economic policy, whereas before it was no more than the variable for adjustment. The multilateral system will only be sanctioned by public opinion if it goes hand in hand with greater fairness in trade relations.

Not a formal opening but a real opening is what we are waiting for in markets that have remained closed for too long, sources of bilateral trade deficits which we rightly regard as unfair.

Fairness, in everyone's view, also consists in compliance with multilateral disciplines. Public opinion in our countries would not understand if the strengthened disciplines we are accepting in certain sectors were not accompanied by universal compliance with the code of conduct established by the new dispute settlement system. The new procedures are probably more efficient, especially in terms of time-limits, than most of our domestic procedures. As they go into effect, the idea of taking the law into one's own hands can no longer be entertained. WTO means before anything else the end of unilateralism. In this matter, however, I am not sure that bad habits have not developed which will be difficult - but essential - to shed.

Above all, for the future, my message is one of ambition. It is the ambition that Marrakesh should not be the end of seven years of negotiation but a beginning, the advent of the World Trade Organization.

The World Trade Organization will be a credible and ineluctable interlocutor, for it will prove its capacity to deal with all problems affecting world trade.

This now seems to me to be recognized so far as the environment is concerned. I would like it to be true comorrow for the problem of labour standards and rights.

I know that many of you do not wish to take up this discussion. I do not believe, however, that it is in our common interest to allow certain misunderstandings to persist. Yet those misunderstandings exist: on the one hand many of you fear that the social side of things is merely a convenient pretext for closing our markets. I wish to reassure them: that is neither in my political philosophy nor in my interest as Minister of Foreign Trade of France, the world's fourth exporter.

On the other hand, for public opinion in our countries, the refusal to discuss these topics tends to foster the idea that the competitiveness of certain countries is built on inhuman exploitation of the workers. It is not in your interest to allow that impression to persist.

As we did on other topics which at first were highly controversial - such as intellectual property and services - we must begin with discussion among ourselves, without mental reservations or prejudgments. But there can be no "planetary village" in which we would trade in goods and services, work together to protect our environment and ignore working conditions in our neighbour's country. We must reassure bodies of opinion which fear lest the growth of competition should ensure the triumph of those most reticent on social affairs; we must prove to them that the growth of trade contributes to social progress.

This is not just my ambition. With a touch of boldness, the World Trade Organization will find a front-rank place among international organizations. The establishment of WTO marks a new era in relations between countries. After the end of the cold war and of confrontation between blocs, it bears witness to a new period in which the concerted development of human activity prevails over ideological and territorial confrontations. In a world in which trade has become both obvious and a necessity, the World Trade Organization is under an obligation to take the long view. We all have the responsibility, the capacity and, I hope, the will for that.