

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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PARTIES AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,  
PUNTA DEL ESTE, URUGUAY

May I first of all say how glad I am to have the benefit of your experience in guiding us through this historic meeting.

## Introduction

I should also like to thank the Uruguayan Government for our reception here in Punta del Este. As you will know, it is an established part of GATT tradition to gather together either by a lake or by the sea; and with this in mind the more sentimental among us look back not just to the successful conference hosted by our Japanese friends twelve years or so ago, but also, if I may refer to my own country, to an equally successful conference at Torquay some forty years ago.

I want in these few minutes to explain the importance the European Economic Community attaches to launching a New Round of multilateral trade negotiations, and the spirit in which we approach them. My good friend, Willy de Clercq, Commissioner for External Relations, will set out in more detail the Community's position on the various matters that we shall be debating.

## The Community's approach

For the Community, as Mr. de Clercq has said in the past, a New Round is a must. It cannot be surprising that this is the Community's position. The Community's Constitution, the Treaty of Rome, commits us "to contribute, in the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of Customs barriers".

And this in turn reflects both an historic fact and an economic reality. The fact that our continent has one of the longest traditions of international trade; the reality that, as the world's biggest trading bloc, the Community lives by trade and so lives by the openness of the world economy. It is the GATT which for forty years has done more than anything else to develop that openness.

So we are here because our present and future prosperity depend in a real sense on GATT and what it stands for and because we see clearly the need for fresh negotiations designed to bring the GATT up to date and to

set it on course for the next century. This objective is more easily defined than realized, but is nonetheless worth spending much effort on achieving.

### Launching the Round

To tackle the problem step by step, we must first reach agreement here to launch the negotiations. Outside observers often comment on the apparently excessive energies expended by governments in agreeing simply to begin talking. Such observations fail to give due weight to the importance of ensuring, before talks begin, that each participant not only understands clearly his own objectives and those of all other participants, but is satisfied that the framework of negotiations gives him ample opportunity to pursue his objectives and does not preclude him from achieving any of them.

So our discussions this week must aim not to resolve issues of substance, which are properly for the negotiations themselves: to aim to do so would be not only a waste of energy but positively damaging to this stage of the process. Our objective must be to listen to each other, to understand and to encapsulate every delegation's essential objectives in a broad and generally-agreed agenda that prejudices no element of the outcome of our talks.

That is the spirit in which the Community approaches these negotiations. A spirit of openmindedness, and a desire for freer and more open world trade.

### The future of GATT

But we also approach the task of launching these negotiations with a grave sense of what is at stake and with a sense of urgency.

It is the Community's profound conviction that the future of the GATT itself is at stake this week, and that on our success in securing that future depends in turn our common prosperity.

GATT has grown and matured in the four decades of its existence. It comprises four times as many sovereign States as at its inception. It therefore also presides over a much greater proportion of world trade. And that trade in turn has grown eightfold under the beneficent influence of the GATT's rules. However, the challenge now is to increase the quality of our participation in the system and the depth of each contracting party's commitment to it in the day-to-day decisions of policy that we all have to make. That, it seems to us, is the challenge that the New Round must

confront urgently. For when we speak, as we do in many and varied international gatherings, of the threat posed by protectionist pressures, we are referring to our collective failure to live up to our GATT undertakings. And the Round is designed to make good that collective failure, make good our individual past failings, and set us more firmly on a non-protectionist line.

The Round must get to grips with the real causes of protectionism. These are that many countries are facing the need to make unpalatable economic adjustments. Protectionism is an attempt to put off such changes. This is one reason, if I say so, why the so-called "new issues" such as trade in services are of such central importance. No country can be expected to adjust out of its older industries if it cannot adjust into new ones. If international trade is to be the instrument of adjusting out it must also provide the means of adjusting in. That is why we in the Community are convinced that our negotiations must include the "new subjects" on the same basis as the "old" ones.

The vicious spiral of protection is easier to descend than to reverse. It is urgent that we launch a New Round. And once launched we must pursue it urgently, allowing none of the slippage of timetables so common in difficult international undertakings. The Community, for its part, stands ready to make every effort to ensure that before we leave Punta del Este we have successfully launched the Eighth Round (what I hope we shall agree to call the Uruguay Round) of "Multilateral Trade Negotiations within the framework and under the aegis of GATT".