

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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NETHERLANDS: STATEMENT BY H.E. MR. KNNEUS HEERMA, MINISTER FOR  
FOREIGN TRADE, AT THE MEETING OF THE GATT CONTRACTING  
PARTIES AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,  
PUNTA DEL ESTE, URUGUAY

May I first of all say how much your leadership inspires my faith in the successful outcome of our deliberations. Let me also express, through you, my appreciation to all Uruguayans whose hospitality, kindness and talent for organization cannot but contribute to the success of this meeting.

The Netherlands, of course, share all the substantive views expressed on behalf of the European Community. The future of free world trade is indeed at stake this week. Active participation of trading nations in a broad, vigorous and dynamic partnership under GATT is essential to our common future prosperity. The launching, this week, of a New Round of multilateral trade negotiations is necessary to secure the future of GATT.

My convictions are strengthened by centuries of dependence of the Netherlands on access to markets and free trade. Today, the New Round must be a key element of any strategy for:

- sustainable growth;
- financial stability;
- improved domestic adjustment capability.

The argument for free trade has lost none of its compelling reason. The interdependence of growth, trade and finance militates for free trade. The inefficiency of bilateral and sectoral approaches to trade demonstrates that free trade is by far the better alternative.

The world, both developed and developing, is now in particular need of free trade to stimulate the effective use of scarce resources. It is the general and global principle of free trade which the coming Round must seek to apply. All will benefit therefrom.

There is now, I believe, an overriding need to improve the quality of partnership under GATT. This need calls for a collective response, conditioned by true acceptance of the limitations on national autonomy imposed by partnership. The GATT principles of reciprocity and mutuality of benefits imply, that each country invest an equivalent limitation of its autonomy in the GATT partnership, thus assuring a balance of benefits most satisfactory to all. Negotiations must therefore be based on a

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comprehensive agenda, reflecting the concerns of all and the areas where each might contribute significantly. The same principles indicate that refusal of consideration of certain subjects, in whole or in part, will meet with similar action by others. Such a course would be neither wise nor courageous.

I cannot, within the time available, go into all subjects up for consideration. I will limit myself to those most dear to me:

1. Agriculture. I represent one of the largest trading nations in agriculture in the world. Surplus production combines with lack of multilateral discipline to threaten the functioning of the world markets we depend on so much. Both internal and external aspects of agricultural policies must be open to discussion in the coming Round if this situation is to be rectified. My concern here is an urgent one.
2. Full integration of developing countries in GATT. Developing countries have increasingly accepted GATT as the framework for conducting international trade. We are now in a developing country, Mexico has joined and China will join GATT, and Aruba, an autonomous part of the Kingdom of the Netherlands, recently accepted GATT obligations independently. While accepting GATT as a framework, many developing countries remain dissatisfied with the benefits it brings them. Textiles and clothing, safeguards and agriculture seem to lie at the heart of this. These subjects will be dealt with in the New Round. Negotiations, the outcome of which benefits the rich and leaves the poor to pay the bill, in lower import earnings and consequently rising debts, will not be acceptable for my Government. I will lend my full support to the elaboration of solutions which meet justified concerns of developing countries. Active participation by developing countries in negotiations would, of course, create more scope for such an outcome.
3. Services. The lack of a multilateral framework governing trade in services will constitute a growing obstacle to further liberalization of trade in general. Adjustment does not take place only within sectors of production and trade, but manifests itself also in shifts between sectors. GATT should facilitate the shift to services, thereby creating greater opportunities for change in other sectors. A framework on services should therefore be established under GATT.

If wisdom and courage inform our deliberations, we shall this week reach agreement on the launching of the Uruguay Round. The future demands this of us.