

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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IRELAND: STATEMENT BY MINISTER PATRICK COONEY,
AT THE MEETING OF THE GATT CONTRACTING PARTIES
AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,
PUNTA DEL ESTE, URUGUAY

I am honoured to address you in this distinguished gathering the objective of which is to launch the New Round of multilateral trade negotiations in the GATT. I would like to thank you, the Government and people of Uruguay for having us here.

It is with some trepidation that we approach this issue.

As a representative of a small open economy with a relatively small population and therefore limited home market, you will readily appreciate that we rely heavily for economic development on the preservation of the open market system.

Accordingly, we have a vital vested interest in the success of the system.

We have a particular interest in the position which you have heard enunciated by the Presidency of the European Economic Community and by the European Commission - all the more so as we are one of the smaller and less wealthy member States of the Community.

Despite my apprehension I am nevertheless optimistic after having heard the speeches of many Ministers. It is quite clear that we all appreciate the striking contribution that the GATT has made to the expansion of world trade and consequentially production, employment and economic welfare.

I don't want to bother you with details of Ireland's advances on the trade front beyond saying that in common with other nations we have benefitted to a big extent from the operations of the GATT.

In a general way we have a critical interest in its survival and improvement. A constant upward trend in our exports is necessary if we are to tackle effectively our unacceptably high unemployment problem which is very significant - especially among the young. Without the existence of the free multilateral trading system - which is the essence of the GATT - this will not be possible.

As with any institution, the GATT must subject itself to self-examination and subsequently make adjustments that recognize new factors that have emerged with the passage of time. There have of course been earlier rounds of negotiations and there is little doubt that changes in traditional commercial practices have emerged in the last decade or so that make it a matter of importance that a re-appraisal be carried out now.

There is clearly an understandable wish to do something about world agricultural trade. Many see in the present structure only anomalies and inequities and tend to feel that these problems are somehow analogous to the problems of industry that preceded the advent of free trade in industrial goods and can be solved in a similar fashion.

This approach however, discounts the immense range of differing factors affecting agriculture at all stages - production, processing and marketing, factors which in turn can vary enormously from country to country, hemisphere to hemisphere.

Agriculture has a particular sociological dimension about it and I hardly have to remind this audience that the line between sociology and politics is often very thin.

Those who urge an immediate and radical attack on the present structures of agricultural trading and, let me be frank about it, a prime target is the Community, should pay attention to those factors.

By way of example in my country, 20 per cent of the work-force is employed in agriculture and maintained there by present policies.

If these policies are to be changed it must not be at the cost of an immediate and huge sociological problem and a future demographic nightmare.

And my country, I am certain, is not unique in this.

Accordingly, I wish to emphasize the importance that should be attached to the statements made here by the President of the Community and on behalf of the Commission.

It is because agriculture is a subject of great importance universally and strewn with the complexities which I have just described, I am satisfied that all aspects of it can only be considered in a coherent rather than a fragmented way. The specific factors involved in agriculture call for its special attention in a special group.

If the experience of the richer countries is repeated in other countries then, at a certain stage in their development, the position will be reached where more and more people will be employed in services rather than in manufacturing industries or in agriculture.

In those circumstances, it is surely reasonable as occurred in the GATT in its earlier days in relation to manufactured goods, that the framework for trade in services should be formulated within the GATT system.

Those who remain apprehensive about the subject must recognize that it would not be easy to construct such rules but this is all the more reason that we should start this difficult task now. I might say that from a preliminary examination of the subject, we in Ireland do not envisage in the short run any great benefits from the liberalization of trade in services "per se". Others are better placed than us at the moment to achieve greater benefits in this regard.

However, we would hope to benefit from the incremental wealth that our trading partners can reasonably expect from this process.

Side by side with such enhanced prospects for exports we would expect to begin the process of further developing our own services export potential.

To conclude, you will have noted from the points that I have just touched upon that we in Ireland have a vital interest in the successful outcome of deliberations here. Thus, we think that it should be possible for all concerned, by means of reasonable approaches and a degree of flexibility, to reach an agreement which will strengthen the GATT and open the way for a balanced increase in world trade which we would earnestly hope to redound to the benefit of all trading nations.

You are faced with a daunting task and we rely on you to conclude it successfully and we are optimistic that you will succeed.