

GENERAL AGREEMENT ON

SR.44/ST/13
23 November 1988

TARIFFS AND TRADE

Limited Distribution

CONTRACTING PARTIES
Forty-Fourth Session

Original: English

JAMAICA

Statement by H.E. Mr. K.G. Anthony Hill Ambassador, Permanent Representative

Mr. Chairman, your introduction set the stage for a number of important statements by contracting parties. I recall specifically two points - the Trade Negotiations Committee's Ministerial Meeting in December should be a success, and the next two years will be critical for the GATT. My delegation shares your perceptions.

Ministers meeting in 1986 on the occasion of the special session of the CONTRACTING PARTIES decided to launch the Multilateral Trade Negotiations (the Uruguay Round). The CONTRACTING PARTIES meeting at ministerial level decided to enter into multilateral trade negotiations on Trade in Goods within the framework and under the aegis of the General Agreement on Tariffs and Trade. The negotiations have run now for two years.

In 1982 the CONTRACTING PARTIES, also meeting at ministerial level, decided to redouble their efforts in the fight against protectionism. In this connection, they agreed to meet in special Council to monitor developments. On that occasion, the leader of the Jamaican delegation, the Honourable Minister of Foreign Affairs and Foreign Trade, Mr. Hugh Shearer, in this very room, called for a follow-up meeting within eighteen months.

In 1979, at the conclusion of the Multilateral Trade Negotiations (the Tokyo Round), the CONTRACTING PARTIES took the following decision: "the CONTRACTING PARTIES reaffirm their intention to ensure the unity and consistency of the GATT system and to this end they shall oversee the system as a whole and take action as appropriate" (BISD 26S/201).

In 1987, on the occasion of the fortieth anniversary of the provisional entry into force of the General Agreement, the CONTRACTING PARTIES' Session was attended by a number of Ministers.

This forty-fourth session, by the statements made so far, hopefully will help to set the stage for a constructive outcome of the Trade Negotiations Committee's Ministerial Meeting and provide a timely opportunity to examine the relationship between the responsibilities of the CONTRACTING PARTIES and those of the Trade Negotiations Committee charged with carrying out the Uruguay Round of Multilateral Trade Negotiations.

The Trade Negotiations Committee, at the half-way point of the negotiations, will review and, where appropriate, take decisions to give

impetus to the successful conclusion of the negotiations. Where the balance of benefits to each contracting party is concerned, any provisional results in respect of the negotiations on Trade in Goods must clearly be the exclusive responsibility of the CONTRACTING PARTIES. We should pay particular attention to this aspect so as not to undermine further the competence and credibility of the GATT. The GATT functions on the basis of pragmatism which, however, if unhinged from the principles of the General Agreement, becomes mere expediency, with each contracting party's rights at risk.

In this connection, the functioning of the GATT system must be the central concern of all contracting parties. My delegation will focus on two issues: (1) the GATT's evolution into a policy-based institution as proposed by some contracting parties; (2) the institutional arrangements of the GATT, which comprise a number of elements including the relationship between and among contracting parties, the relationship of contracting parties with other intergovernmental institutions, and the GATT secretariat in its relationships with other Secretariats.

With respect to the first issue, i.e., trade policy, all contracting parties recognize that a soundly-based trade policy contributes to balanced and sustainable growth. Equally, such a trade policy contributes to the overall development of less-developed contracting parties. That is why the GATT has provisions for differential and more favourable treatment for less-developed contracting parties. There is a proposal to enhance surveillance. Such enhanced surveillance, it is suggested, would result from a review of the trade policies of contracting parties. Should such a "mechanism" and other changes be introduced into the GATT, as proposed by some contracting parties, then the special Council established by the GATT Council in 1980 would be replaced. These proposals require a careful review by contracting parties.

With respect to the institutional changes, it is clear to my delegation that if the scope of the GATT is to be extended, we will need clearer and more transparent procedures regarding the election/selection of presiding officers and the rationalization of the many bodies which form part of the GATT system. The Council acts on behalf of the CONTRACTING PARTIES between its annual sessions. There are, however, important distinctions to be made between the responsibilities of the Council and those of the CONTRACTING PARTIES. We should not blur these distinctions. In fact, we should seek to make them clearer in respect of some of the procedures which ensure that transparency becomes operational in a multilateral sense.

There is a suggestion in the air for a Steering Group of Ministers of contracting parties, restricted in number and consultative in nature. Such a restricted group, it is suggested, would give political guidance to the GATT. Contracting parties should examine this carefully so as not to upset the balance of rights and obligations by creating structured hierarchies in the open multilateral trading system.

There is, as well, a suggestion floating in the air that the hallowed practice of decision-making by consensus should be the subject of review. Contracting parties should reflect carefully on this so as not to introduce weighted voting in the conduct of GATT business, including in the administration of GATT rules and disciplines.

There are also some proposals regarding closer institutional linkages with other relevant international institutions. The CONTRACTING PARTIES are competent to decide on this, both as to nature and scope. The Director-General, in the discharge of his duties, has carried out his duties with distinction. He should be supported. Contracting parties will need to study these proposals carefully so as neither to undermine nor subordinate the GATT to other international institutions.

In 1989, the world economy, led by the major industrialized countries, will be in its sixth consecutive year of growth; developing countries, in the main, continue to struggle to find a solid and secure basis for faster growth and development. 1989 will signal ten years since the completion of the Tokyo Round -- and it will be recalled that the industrialized contracting parties indicated that that was the last round of multilateral trade negotiations prior to the end of the century. 1989 will clearly signal an intensification of the negotiating process in the Uruguay Round. Each contracting party, large or small, has an interest and a stake in the open multilateral trading system -- an interest because it is through the liberal trading system that each contracting party may benefit from the dynamism of a competitive economic environment; a stake in such a system as a safeguard against the excesses of bilateral economic pressures and unilateral actions.

My delegation offers its congratulations to the Director-General on his stewardship of the GATT system, and its appreciation for the discretion, drive, time, energy and wisdom of the Chairman of the CONTRACTING PARTIES and the Chairman of the Council, who have carried out their duties on behalf of the CONTRACTING PARTIES. It is our hope that the Chairmen of the CONTRACTING PARTIES, the Council and the Committee on Trade and Development, and the Director-General, will take up the challenge of ensuring that the GATT as a legal framework and as an institution is strengthened in the months and years ahead.