

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

STATEMENT BY ARGENTINA

The following statement is being circulated to members of the Committee at the request of the delegation of Argentina.

There is nothing novel in saying that we can feel satisfied with what has been done to date in the Uruguay Round, while at the same time underlining - to strengthen that opinion - that at this stage we have advanced more than had been the case comparatively in the Tokyo Round.

Nevertheless, in our view, that statement is not complete for any objective evaluation of what has been done so far. We do not wish to be pessimistic, but nor should we let ourselves be carried away by optimism. To take stock of the Uruguay Round, it is not enough to content ourselves with what we have done to date, without having a full awareness of what remains for us to do. And when we raise this last question, quite clearly there is no reason to be fully satisfied. It is certain that our building is at an advanced stage, but no less certain that it is still uninhabitable, and so long as that is so we shall not have fulfilled our obligations and the objectives we set ourselves at Punta del Este.

It is in this overall perspective that we should like to voice our opinion regarding the Montreal meeting. The idea of a mid-term review as envisaged in the Declaration of Punta del Este has taken shape little by little, overcoming the resistances and doubts to which it gave rise initially, and today we are definitively embarked in that direction. This is our next challenge, and it will undoubtedly be a fundamental test of the credibility of the negotiations and of what we can expect from them in the future.

It is not enough to say that the Montreal meeting is not the end of the world, and that the negotiations will continue for two years more in any case, whatever happens there. It is not enough because we are expecting something meaningful to happen, and if that is not so, and if then we take stock of the meeting and conclude that what was lacking was political resolve, negative consequences will be inevitable.

Indeed, the favourable momentum that we have created with such difficulty would be disrupted, and as we all know, starting it up again would be no easy matter. The negotiations could continue, and even in theory last longer than foreseen, going beyond the year 1990. But what

cannot be done in the time set is difficult to achieve by simply extending time-limits, and international negotiations are full of examples, for instance the negotiations on the Code of Conduct on Transfer of Technology, which were initiated in 1974. Is that what we really want? To negotiate just for the sake of negotiating? Or is what we really want to negotiate in order to achieve our objectives? For that, is not political will the essential requirement that is lacking, for example, in the case just mentioned? And if that will is not present in tangible form at Montreal, how can we be sure of it in the future? We must not deceive ourselves nor close our eyes to reality. What happens at Montreal will be of the utmost importance for the rest of the negotiations, for better or for worse. That is why, in our view, we must step up our efforts to ensure the fullest success of the meeting, in full awareness of the short time that remains to us, and of the difficulties that we must still overcome.

Having said that, I should like to describe how we see the Montreal meeting.

In our opinion, three things can happen at that meeting: the first is that we review what has happened, and prepare the time schedules for future work; the second, that we progress a little more, and lay down guidelines for the next stage; and the third, that in addition we attain the first concrete results.

As regards the first two of these possibilities, we may ask ourselves whether it is necessary to leave Geneva to review past actions, establish time schedules and lay down new guidelines. What could these add to the Declaration of Punta del Este, since quite clearly that instrument cannot be modified?.

The reply is obvious. If we approved the idea of a meeting of the Trade Negotiations Committee at Ministerial level away from headquarters; if we have aroused such expectations around that meeting, it is because we are hoping from it more than simple acts of routine and of administration of the negotiations. That is why the Argentine Republic believes that at the Montreal meeting we must achieve the first concrete results, and my country is resolved to strive to the maximum of its possibilities for that to be so.

We do not believe that we should shelter behind the excuse that in a negotiation one cannot take on commitments midway, because we already saw this at Punta del Este and we were in agreement that it was possible. If we do not succeed in this, it will be simply because we were not capable.

We are therefore hoping for concrete results, and to that end the next question is what kind of results we can achieve? In this regard, Argentina's reply is as follows:

- they must be substantive, and not functional;

- they must meet the criterion of globality, but this does not imply that they must cover all the issues under negotiation.

Allow me to explain what we mean by substantive, and not functional.

As we have moved forward in the negotiations and identified the difficulties which we must overcome, we have observed a tendency to seek the easy way out by covering up appearances with agreements, for example, on the functioning of GATT or settlement of disputes.

We consider this serious and unacceptable. What is the use of having a grand piano if we do not know how to play? Speaking a little more seriously, we believe that there is nothing to be gained at this stage by improving the institution, even in the important area of dispute settlement, if the causes that have brought the international trading system to the present crisis still remain. It is like trying to eliminate crime by strengthening the courts and bringing more legal actions, rather than by attacking its basic causes.

We must go to the heart of things and cease being euphemistic, we must tackle the difficulties head on and overcome them.

On these matters, on these questions of substance, the Argentine delegation considers that a first list of what would be essential for achieving agreements to be given immediate implementation should include the following:

- (1) compliance with the standstill and roll-back commitments envisaged in the Declaration of Punta del Este, while adapting rhetoric to the facts once and for all;
- (2) compliance with the priority which that Declaration attaches to the negotiations on tropical products;
- (3) agreements in the agricultural sector that would allow a substantive structural reform to be undertaken, in a framework including short- and long-term measures, as well as a transitional period;
- (4) initial agreements on textiles;
- (5) agreements on a safeguard clause, which would afford a solution to the market-access problems of developing countries, and elimination of the so-called "grey area";
- (6) agreements on the framework for a General Agreement on Services taking adequate account of the concept of development.

My delegation does not wish to embark on discussion of the globality requirement. Globality means many things for each and every one of us, both within each negotiation issue and in the negotiations as a whole. Nevertheless, we do not believe that it should be so very difficult to agree that, ultimately, globality for Montreal is somewhat more simple. In our opinion it should imply reaching the first agreements that would respond to the principal interests at stake, whether for the developing countries or the developed ones, giving credibility to the negotiations, with a beginning of implementation of solutions to the grave problems that can wait no longer. It would be difficult to embark on the rest of the Uruguay Round if we are not capable of measuring up to this challenge.

The next question that we wish to raise is: what is lacking for this to be possible?

Our conclusion is that only one thing is lacking: firm political resolve.

Clearly, not all the groups have progressed at the same rate, but in our view, in those groups and within the GATT system all the necessary technical elements exist for achieving effective agreements at the end of the year.

The next point we wish to raise is the question of how to proceed in the short time available for preparing pre-agreements that could then be formally approved by our Ministers.

Here again, in our opinion, the reply is simple. One must fix a strict time schedule, give the utmost freedom of action to the negotiating groups, for their reports are the key to success, strive hard and abandon certain procedural bad habits.

And now, perhaps I should confess that despite all this we still have a strong feeling of doubt. For however much we do here, the political will that we must mobilize is in national capitals. And that is where the true challenge must be taken up.

In this regard, allow me to say two things in conclusion. The first is that this negotiation has shown that nothing can be carried through without consensus and that, accordingly, the opinions of each and every one are of equal value. Nevertheless, the will of some is more necessary than the will of others. The key to success, in our opinion, is that Brussels, Tokyo and Washington measure up to their responsibilities and take on the leadership that the rest of us would not wish to deny them. For ultimately, there lies the possibility of finding a compromise that would allow their differences to be overcome, and of presenting positions that would afford a solution to the structural problems that have been besetting international trade for a long time now, while taking account of the interests of the developing countries, if indeed the final objective of our negotiations is, as the Argentine Republic is convinced, to establish the bases for the new trade system of the 21st century, which will necessarily have to be more equitable.

The second point is that even the fullest success in our trade negotiations will not afford a solution to the substantive problems of the international economy, at least from the viewpoint of the interest of developing countries. Reform of the monetary and financial system and solution of the grave problem of indebtedness are also essential. The Montreal meeting should be an auspicious occasion for an unequivocal statement in this regard and for giving a new political impetus to international efforts which will necessarily have to be undertaken in a parallel manner in these areas.