

MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND

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SWITZERLAND

Statement by Mr. Jean-Pascal Delamuraz  
Federal Councillor, Head of the Federal Department  
of the Public Economy

At Punta del Este, we decided to build together a world economic and trading system to anchor us all more firmly to the extraordinary engine of growth that is world trade. Developing and developed countries, we decided to build it together. And the system we aspire to must measure up to the challenges of the twenty-first century.

These are three:

1. First challenge. In the world economy today, interdependence has given way to internationalization. Increasingly, products are manufactured, financed and distributed through an international process rather than a national one. GATT's reform should encourage this internationalization for it carries a tremendous potential for development.
2. Second challenge. During these last ten years, the developing world has made a noticeable entry onto the world trade scene. A positive phenomenon in every regard and one to be encouraged. The debt problem and other development-related problems will only be resolved by integrating developing countries into the world economy. Integration means that developing countries participate as full-fledged partners in the world economy, with the rights and obligations that this implies.
3. Third challenge. In strengthening the world system, regional economic units being established must become "quick paths" to liberalization and not introvert blocs. For example, it is essential that the impressive effort at liberalization under way in Europe be part of a world liberalization effort.

At Montreal, we must continue to be guided by the lofty ambition of Punta del Este, all the more so because the world economic situation is better today than it was two years ago. This is an opportunity to be

seized. Through our commitments, we must find the political strength to re-establish a truly multilateral system, a system which is of benefit to both big and small countries, developed and developing ones, a system which condemns any resurgence of protectionism. At a time of keen international competition - what a blessing! - this political, economic and ethical principle is vital. Even more than forty years ago.

The Montreal conference is not the end of the round of negotiations. We must bear that in mind during these next few days.

Our rôle, as my delegation sees it, is:

- realistically to take stock of the status of the negotiations;
- to take provisional decisions in those areas where our work is sufficiently advanced. For example, strengthening of the dispute settlement mechanism, improvement of the functioning of the GATT system, or Tropical Products - a test issue of our will to integrate the developing world into the system;
- to provide our negotiators with negotiating guidelines on the thorniest issues where the very subject of negotiation can be a cause of difficulty; I have in mind in particular agriculture, customs duties, textiles, intellectual property, services.

Depending on the guidelines we define here this week, the negotiations either will - or will not - reach a successful conclusion in 1990.

In this regard, I must mention one area of major concern to my country: the strengthening and reform of the GATT rules. It is urgent that our negotiators restore priority to this issue, neglected now for two years. This is the only way for GATT to play its rôle in the economy of tomorrow. Mere institutional adjustments will not suffice to ensure proper coverage of international economic reality. Today, many protectionist practices are proliferating, outside the purview of GATT. Even some of GATT's contracting parties have established or are in the process of establishing their own rules unilaterally. Unilateralism will spell the death of our system: we must have recognized multilateral rules which are applicable and applied.

We are in general agreed on the symptoms to fight against (for example, excessive agricultural subsidies). Will it be enough to prohibit them? No, that would be confusing the end with the means. We cannot intervene directly in domestic policies but must rely on effective multilateral rules to regulate our mutual trade relations, each country having to adjust its domestic behaviour accordingly.

We have come to Montreal full of hope. The tremendous political effort made in favour of GATT over the past two years, both at national level and internationally, is the basis for this hope. In this respect the Uruguay Round has already fulfilled one of its missions: multilateral trade has come back to the forefront.

It is up to us now to justify these hopes which are being expressed on all sides. We are condemned to succeed, and succeed we shall.