

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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UNITED NATIONS

Statement by the Secretary-General

(read by Mr. Antoine Blanca, Director-General of Development  
and International Economic Co-operation)

I had intended to be present at this meeting of such fundamental significance for the future of the world economy in order to convey to you the importance that the United Nations attaches to the idea and practice of multilateralism, which includes the establishment of agreed trade rules and the observance of those rules. However, developments in the General Assembly and Security Council compel me to remain in New York.

The growing interdependence and internationalization of the world economy are reflected in the increasingly universal character of GATT. Rules for trade are not seen as solely of interest to a small number of major trading nations. More than ever the developing countries are endeavouring to contribute to the elaboration of multilateral rules by which they hope to become equitably integrated into the world trading system. In the last few years, more and more countries have committed themselves to multilateralism in trade by acceding to the General Agreement on Tariffs and Trade, and GATT now has 100 member countries. It is clear, too, that this trend will continue and that the number of GATT members will increase as new observers accede to the provisions of the General Agreement thereby contributing to truly universal acceptance of agreed trade rules.

The negotiations that have taken place over the past four years and the agreements that will be adopted at the conclusion of the Uruguay Round are only part of a much broader undertaking. The progress achieved but also the disappointments sustained owing to the inadequate implementation of decisions adopted at earlier negotiations, have made the trading nations keenly aware that the most difficult task is to ensure that the international system of agreed rules is implemented. The credibility of GATT undoubtedly depends on the applicability and observance of those rules. In the course of the next few years, countries will be called upon to undertake the internal structural adjustments that inevitably accompany market opening. It is understandable that established producers which have long held a dominant and undisputed place in the market should view the changes in competitive advantage as a threat. As the competitive position of a growing number of countries improves for one product after another, commitments to trade liberalization entail an active policy of structural adjustment to enable economies to adapt to the development of competitive advantages.

In the coming years, all countries, and particularly the trading nations in the strongest position, will have to show that they are not only ready to abide by multilateral rules for their trade transactions, but also to apply GATT rules so as to encourage other countries to adhere to those rules. It is only by ensuring strict observance of multilateral rules that it will be possible to prevent trade disputes from degenerating into trade wars through the adoption of retaliatory measures that would cause trade cuts, and to prevent recourse to bilateralism and the establishment of blocs that pursue a policy of exclusion. We are convinced that strict multilateral trading rules are conducive to the integration of all countries by offering a stable framework within which each country can strive to increase its economic links with the rest of the world. Ill-defined or unsound "rules of the game", on the contrary, give nations short-term incentives that encourage them to be inward-looking and to protect their own producers instead of promoting the development of reciprocal trade. Strict multilateral trading rules can therefore contribute not only to the prosperity of nations but also to peace and security.

The dynamism of world trade depends on the success of the current negotiations, and we need dynamic international trade to promote growth and development. The vigour of trade in the next few years will be an essential factor for the future evolution of most of the world economies. For the developing countries it will be essential for enabling them to modernize and to become industrialized. This is particularly true of the majority of developing countries which are heavily dependent on exports of primary products, because broader access to markets is a prerequisite for successful diversification.

However, the rôle of trade is not solely to be a motor for growth. I am thinking especially of the part it plays in lessening significant imbalances that still exist among the major trading partners or in dispelling much of the friction caused by adjustment of the world economy to the increase in exports of manufactures from the developing countries. I am particularly concerned about the economic and social difficulties of developing countries which, as a result of the debt crisis, are faced with an outflow of financial resources to which their fragile economies are unable to adjust. The effect of some of the measures on which we compliment ourselves, taken by creditor countries to lighten the debt burden of developing countries and reduce the net negative transfers of funds from these countries, can all too easily be wiped out by trade restrictions that obstruct the access of debtor countries to the markets of their major creditors. I am aware of the interest taken by the GATT negotiators in the relationship between trade, monetary, financial and development issues. This relationship is likely to be one of the most important questions to be dealt with after the Uruguay Round. In this respect, these negotiations are not confined to trade; they are also concerned with development, the reduction of poverty and environmental protection for all, as well as with the assistance to be given to peoples to enable them to survive and to realize their potentialities while remaining in their own country without having to emigrate.

Today the world is very different from what it was when the negotiations were launched four years ago. The course of history has speeded up. The great changes that have taken place on the world political scene are one of the main signs of this evolution. There is undeniably a movement towards universal membership of international bodies. Nevertheless, on the eve of the twenty-first century, although the forces and pressures active in economic life can bring nations closer together, they can also drive them apart. Now that it is increasingly recognized that sound management of world resources and capacities involves certain constraints, it needs to be emphasized that the prospects for wider and more genuine co-operation are virtually unlimited.

A lasting peace must necessarily entail an improvement in the human lot. This result can be attained only through truly constructive efforts and adequate machinery for interaction among all the members of the international community. Your endeavours must be seen in this perspective.

May I extend to you my sincere good wishes for the success of your deliberations.