

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee
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Statement by Mr. Robert Urbain,
Minister for Foreign Trade

In comparison with the two previous major negotiations - the Kennedy Round and the Tokyo Round - the Uruguay Round is characterized by the exceptional scope of the negotiations. In addition to trade in goods, it also covers services, investment and intellectual property. In the traditional area of goods, the objectives we have set ourselves are especially important.

At the beginning of the final session of the Uruguay Round and following Minister Renato Ruggiero, President of the Council of the European Community, and Mr. Frans Andriessen, Vice-President of the Commission of the European Community, I would like to share three concerns with you: the first relates to the objective of our work, the second concerns the rôle of trade in the global system, and the third relates to the concept of our work this week.

Firstly, the objective of our work.

In our limited sphere of competence, we are obviously only able to discuss and negotiate trade problems and trade policy.

Nevertheless, is it not possible to go beyond our designated field of discussion for a moment and ask some questions?

What do we want to do? What rules and principles do we deem to be reasonable, effective and equitable? What is the objective of our negotiations?

Is there not a danger of limiting man's rôle in an increasingly mechanized and sophisticated system, either through omission or indifference? I hope that our work will never lose sight of the human dimension of what is at stake.

Trade was not conceived in order to crystallize relations of force among nations and economies.

Neither should it be the catalyst for an unbridled system of production that would result in unlimited and gratuitous growth of producing activities.

Trade should contribute to economic growth and social progress in all regions of the world.

It should meet the challenge of differences in levels of development, it should contribute to the struggle against stagnation and poverty. It should promote understanding and peace among nations.

In the world of today, the direction of international affairs has become so complex that the lack of a coherent vision and ignorance of the essential objectives constitute a major danger for leaders.

The second concern: the rôle of trade in the global system.

In a world characterized by increasing interdependence among nations, multilateral trade plays a vital rôle in the structure of links and interaction of all types that join us together: international financial flows, exchange rates, interest rates, changes in the current situation, orientation of economic policies, volume and nature of development aid.

Trade is not all. Other areas, other problems are today urgent, even dramatic.

Developed countries in the West must avoid the traps of a dual society and unbridled consumption. They should control the situation better because, in its downward phases, it exacerbates unemployment and under-utilization of production structures. They should resolve current imbalances and control fluctuations in exchange rates.

For the developing countries, it is necessary to find a solution to the international debt crisis, and ways of avoiding poverty and stagnation must be explored.

With regard to the countries of the Eastern trading area, they have embarked upon a positive but difficult process of political, economic and social change.

The European Community has made great efforts towards economic, financial and political integration. This integration process has occasionally given rise to concerns, anxieties and fears. These are not justified. Europeans know that integration cannot be carried out by sacrificing the external dimensions. The European Community must carry on a balanced dialogue with all its partners, the super powers and the others. It must open up towards the countries of the Eastern trading area. It constantly seeks to involve developing countries in a joint process of growth.

Lastly, there is an issue of which all of us, whether in the East or the West, the North or the South, are increasingly aware - namely, the environment. All life depends on this earth which is our common heritage, and we must treat it wisely and with moderation.

Because of the weight of the challenges facing us, the beginning of the 1990s will no doubt be considered by historians of the future as a decisive moment in world history. In this sense, one might say that we have an appointment with history.

No doubt, trade is not everything. But everything holds together and is linked together in the world system. A framework of free trade and balanced trade is conducive to international trade exchanges. But it also puts us in a more favourable situation to meet the other challenges of the decade.

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This brings me to our work and how it is conceived.

I should like first to pay a tribute to the negotiators who, in Geneva, have prepared the draft final act for this Conference.

In this regard, the contribution of the developing countries is particularly important. Their emergence in the multilateral trading system is a new and welcome phenomenon.

Among the group of industrialized countries, the European Community has expressed itself through the intermediary of the Commission and according to the specific modalities of its internal functioning. Because of its transparency, this situation constitutes more an advantage than a disadvantage for the negotiation. Many Community positions are in most cases the outcome of a compromise between member States whose range of interests does not differ substantially from that of the Uruguay Round participants as a whole. This in no way implies any desire to impose our views unilaterally. On the contrary, it is an indication of the possibilities of conciliation between positions which, at the outset and in all legality, do not necessarily coincide.

The draft final act before us today is the outcome of the most recent negotiations at Geneva. It comprises blank spaces that we shall have to fill in and many square brackets that we shall have to delete.

In no way, therefore, is this Ministerial meeting a mere academic formality.

It is now necessary to take over from the experts and officials, in order to achieve a decisive breakthrough at the political level.

To this end, we shall have to show boldness and imagination. We must reach compromises. We shall have to make reciprocal concessions. We shall have to recognize that what is seen by one or other participant as inadequate in one or other file must not jeopardize more tangible progress in other areas.

On many points, we shall have to content ourselves with solutions that are only the second-best choice. But that is inherent in any negotiating process and in any case is preferable to failure. The fact of bringing back agriculture and textiles into the GATT - two sectors on which there is agreement on the objectives but for which we must still arrive at a common conception of the means for attaining them - would already justify many of our efforts.

If specific and strict agreement can really not be reached on one or other point, let us endeavour to arrive at a consensus on more flexible formulae such as framework agreement, agreement of principle, guidelines, but in any case let us give the necessary political signal.

I would not wish to propose a minimalistic vision of a future multilateral trading system, but the outcome of the final session of the Uruguay Round can in no case be an inflexible result. It must on the contrary allow, forthwith, the launching of an ongoing and developing process, based on firm and coherent foundations.