

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

MTN.TNC/MIN(90)/ST/24  
3 December 1990  
Special Distribution

Trade Negotiations Committee

Original: English

Meeting at Ministerial Level  
Brussels, December 1990

UNITED STATES

Statement by Ambassador Carla A. Hills,  
United States Trade Representative

This is the final - I repeat - the final week of the Uruguay Round. There will be no extension. The time for rhetoric has passed. Now is the time for straight talk and bottom lines.

Success this week means a dramatic growth in global prosperity; failure, a slide toward protectionism and the political instability it breeds.

Only one thing stands between us and the triggering of a world-wide economic renaissance: the stalemate over agriculture. Fundamental reform of world agriculture will require countries to make specific commitments to reduce internal supports, barriers to market access, and export subsidies. The notion of rebalancing is anathema to reform because it closes markets. The process of tariffication is essential to reform because it is a mechanism to open markets and keep them open.

The United States, the thirteen countries of the Cairns Group, and other agricultural exporting nations, support these fundamental principles. A stalemate exists in these negotiations because a few countries have refused to negotiate specific commitments to lower trade-distorting internal supports, to open their markets to imports, and to reduce their use of export subsidies. The fate of the Round hangs in the balance.

The United States wants these negotiations to succeed. But this Round will be a success only if it serves as a sword to slash away trade barriers, not a shield behind which to maintain or erect them. In short, the only acceptable agreements are market-opening agreements. Thus, beyond agricultural reform, we have much work to do this week. Specifically:

- ° We must meet or beat the market access target we set in Montreal. The United States has offered to cut its barriers by almost 40 per cent, and we stand ready to negotiate a tariff-free world in key sectors, such as steel, aluminium, paper, electronics, and pharmaceuticals.

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- ° We must agree to integrate textiles into the GATT. President Bush affirmed the United States commitment to this goal by vetoing restrictive legislation, and United States negotiators will work this week to make it a reality.
- ° We must agree on strong rules to protect and enforce intellectual property rights, and to promote a freer investment environment.
- ° We must improve GATT rules and disciplines, covering subsidies, balance of payments, safeguards, and dispute settlement.

Finally, we must negotiate a market-opening agreement in services, including financial services. The United States is the most open services market in the world. We want all of your markets to be as open to services as is our own.

The services negotiations have been preoccupied with a controversy over the "most-favored-nation" provisions of the Agreement. The m.f.n. obligation not to discriminate among countries is a fundamental principle of the GATT, which the United States fully supports.

However, absent market access commitments, an m.f.n. requirement means that countries with open markets must stay open to everyone, while countries with closed markets stay closed to everyone, and have no incentive to open to anyone.

This is why the United States has proposed that no country be bound to provide m.f.n. treatment until it has exchanged market-opening commitments with other countries. The United States has tabled offers to negotiate such commitments in over thirty sectors; only Switzerland, Japan, and today Canada, have joined us.

In services - as in agriculture, market access, textiles, rules, and the other new issues - the United States is committed to opening markets multilaterally. We have been, and will continue to be, pragmatic and flexible in negotiating vigorously toward this end.

There is no insurmountable obstacle to reaching agreement in all of these areas before we leave Brussels. In the few days we have, let us together summon the political will to dismantle our trade barriers and in so doing grow our global economy by over \$4 trillion in this decade of the 90s.

We can do it. But it will take all of us.