

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Trade Negotiations Committee

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GERMANY

Statement by Mr. Helmut Haussmann,  
Federal Minister for Economic Affairs

After four years of negotiation, the Uruguay Round is now drawing to a conclusion. As in a marathon, we have seen ups and downs; we have started with great ambitions and made enormous efforts; we have made mistakes and tactical errors, and we must now decide whether we still have the necessary strength and courage for the finish and for winning.

At first sight, the situation is not favourable: the distance we have had to go is long; our run has been energy-consuming, and many feel that we do not have enough strength left for the finish. On the other hand, we know from experience that - when in extreme situations - people are able to muster up the greatest courage, although this seemed initially to be out of the question.

The Uruguay Round is now nearing the finish as well. Its outcome will decide whether we succeed in creating a new basis for an adequate and fully functional multilateral trading system.

The aim we set about to achieve four years ago is to be attained at the end of this week. We must bring the Round to a successful conclusion. Only an open multilateral trading system can guarantee and promote free trade as an important growth vehicle. All trading partners undisputedly need this vehicle of prosperity.

We are prepared to help accomplish these tasks. As you know, our governing coalition was confirmed in office two days' ago and has obtained a stable Parliamentary basis after the first all-German elections. This means continuity and confirmation of our present policies including our liberal trade policy. For this reason, we are firm supporters of the Houston Summit results, i.e. highest priority to the successful conclusion of the Uruguay Round.

The open multilateral trading system of the GATT was a solid basis for an unprecedented expansion of world trade in the last few decades. It embodies today an anchor of hope for the continuation of this development which is to be to the benefit of us all.

The countries in Central, Eastern and Southern Europe have great expectations in the Round. Should it fail, those countries would legitimately wonder whether market economy would really be the right way to freedom, prosperity and growth.

The Gulf crisis has dramatically changed the world economic and political environment. Especially the less-developed countries with their already high debt burdens have been hit hard by higher energy prices and higher rates of interest. It is only possible to help them effectively and on a lasting basis if they are allowed to take part in international trade and if their products are given access to world markets.

The world economy has benefited from a vigorous cyclical upswing for eight years. But there are indications that the upswing is losing in steadiness. It cannot yet be foreseen how the political crises will develop. It is consequently all the more important that we give the right signals. By right signals we understand those which open markets, turn out the spectre of protectionism, ensure prospects for expanding trade and thus encourage entrepreneurs to invest more. So, it is for us to take the necessary decisions in the course of this week.

At the beginning of the Uruguay Round, Ministers formulated two central objectives at Punta del Este:

- further liberalization and expansion of world trade;
- strengthening and improvement of the GATT system.

This means improved market access, stricter GATT disciplines and extension of the GATT by including those areas for which no rules and disciplines have existed hitherto. These aims must be our guiding principle for the final phase of the trade negotiations. Of course, every nation has to decide for itself whether the respective elementary needs can be satisfied. It is clear that not all the negotiating objectives set at the beginning of the Round can be reached. But, the nature of the final result must be such that everybody is in a position to find something positive that makes it easier for him to swallow what he would originally never have accepted.

We thus need viable compromises in the interest of long-term and lasting results that spare us a situation in which we find after three or four months that protectionism, bilateralism, regionalism and unilateralism - the four harmful "isms" - are again gaining ground.

Even though optimum solutions may not be within reach for a variety of problems, mini-solutions may also help in tying up a reasonable and balanced package. But less ambitious solutions must not be tantamount to a simple confirmation of the status quo. Retaining the unsatisfactory status quo in respect of anti-dumping and the escape clause, for instance, after almost four years of negotiation would be an extremely poor show-down by all, not just the big trading partners.

However, the big trading partners are the ones who are especially called upon to contribute to the success of the Round. Any failure in this regard by the biggest trading partners - the EC, the USA and Japan - would simply be fatal, since they determine the trends of world trade through their external economic policies to a special extent.

The less-developed countries that have committed themselves to making this Round successful in a highly gratifying manner would be right in regarding it as a failure if we did not, at long last, succeed in freeing the trade in textiles from the worldwide strings of the Multi-Fibre Arrangement. This means inclusion of the trade in textiles into the GATT and liberalization on the basis of the GATT rules and disciplines. And our trading partners - both industrial and less-developed countries - legitimately expect results in the farming sector that meet the demands of the Montreal Mid-Term Review for "progressive and substantive" progress in the opening of markets and elimination of subsidies.

What we need is the determination and political courage to cut the multiple Gordian knots that have accompanied us since the beginning of the negotiations. Some of the problems are rather more technical in nature and may thus be easier to solve. But firm determination is needed to reach a breakthrough in the difficult cases of agriculture, textiles and services.

Otherwise there would be protected markets, accelerated economic decline and prosperity losses instead of more trade, more growth and improved supply of consumers with low-price goods. This we can simply not accept.

I should therefore like to express the wish that we all have the resolve and energy to continue on the road which we started at Punta del Este to the successful conclusion of the Round.