

Remarks of Ambassador Luigi R. Einaudi
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Organization of American States

GATT Negotiations

PERMANENT COUNCIL - December 20, 1990

In Brussels two weeks ago, at 8:00 p.m. on December 4, Hector Gros-Espiell, Foreign Minister of Uruguay, speaking as Chairman of the Ministerial Meeting of the Trade Negotiations Committee, issued a statement which read in part:

"I feel that we need substantial breakthroughs in the next twenty-four hours in a number of key areas including, in particular, agriculture, if this meeting is to end with a package of results truly meaningful for all participants in these negotiations."

Three days later, on December 7, Minister Gros-Espiell was forced to announce that the 107 countries participating in this critical round of GATT negotiations were

"not in a position to conclude the Uruguay Round during this Brussels Ministerial Meeting. More time is also needed to ensure that the positions of all participants in the negotiations are fully taken into account, in accordance with the multilateral character of the negotiations. We shall deploy our best efforts in undertaking this task."

President Bush, who was at that moment in flight from Chile to Venezuela, made a similar statement in which disappointment obviously competed with diplomacy:

"Unfortunately, the Brussels meeting has ended without result due to the inability of nations with substantial economic strength -- the European Community, Japan, and Korea -- to negotiate fundamental agricultural reform. This is all the more disappointing given the very constructive attitude taken by many developing countries, particularly many of our friends in Latin America.

"The United States remains committed to maintaining and strengthening the multilateral trading system, and to a timely and successful conclusion of the Round. We will do all we can to bring this about, while continuing to insist upon agreements that genuinely liberalize trade. Accordingly, it is our hope that participants, especially the EC, will take this opportunity to reflect upon their position on agriculture, and develop the political will to negotiate real market-opening agreements while there is still time to do so."

Even as the President of the United States was reaffirming his commitment to the multilateral trading system, Senator Max Baucus (D-MT), Chairman of the Senate International Trade Subcommittee, was saying that "No agreement is . . . better than a bad agreement."

"I don't see much merit in continuing the Round," he also said. "Some countries -- notably the EC -- simply lack the political will to liberalize trade. It is hard to imagine that those nations can make the hard political choices necessary before the fast track negotiating authority runs out on March 1st. It is now time for the U.S. to focus on promoting its trade interests with bilateral agreements, Section 301, and agricultural subsidies."

Senator Baucus, who won a resounding 70% endorsement from his voters just last month, is a key member of the Senate Finance Committee and a leader in the United States Senate. His words identify clearly one reason for urgency -- the lapse on March 1 of the so-called fast track negotiating authority under which the Senate has agreed to vote on a new treaty without amendment.

Members of this Organization need not have another reason for urgency spelled out. Their economies are developing in close geographic proximity to the United States. This creates enormous advantages, opportunities for cooperation, and a solidarity we have only recently begun to explore. But a changing neighborhood also creates many frictions and tensions. We have a particular stake in making the right choice between what the New York Times Monday referred to as "sanity and suicide." Developing a multilateral trading system that does not force a U.S. retrenchment is in everyone's interest, doubly so in this hemisphere.

Mr. Chairman, this is critical moment in the history of this organization and in the place of this hemisphere in the world. The United States seeks a hemispheric relationship that will turn political and economic freedom into the foundations of widespread regional well-being on a scale not foreseen even by visionaries. But this potential can be realized fully only in an open world order.

A successful Uruguay Round is vital to the growth of the economies of Latin America which need to sustain the openings they are making in their economies. The deadlock on agriculture must be broken. Guidelines to break the deadlock in agriculture should include (1) no increases in duties and (2) decreases in barriers to market access, internal supports, and export subsidies.

This Permanent Council cannot and should not become involved in the details of these negotiations. But my delegation believes we have a responsibility to record our concern at the impasse; to urge flexibility with particular attention to the area that led to the impasse, namely, trade in agricultural commodities; and to support the negotiations with all appropriate actions. We cannot allow our political will to lag behind our shared economic interests and the better future they portend for us all.