STATEMENT BY H.E. MR. WILLIAM E. BROCK,
TRADE REPRESENTATIVE, EXECUTIVE OFFICE
OF THE PRESIDENT OF THE UNITED STATES

There is only one solution for recession - growth.

There are many ways to stop growth - tariffs, non-tariff barriers, illegal subsidies, and other forms of protectionism.

There is only one multilateral system for the establishment of trading rules - the GATT.

The purpose today is, and must be, to nurture and sustain the GATT in a time of great difficulty for all nations.

A few specific steps forward can make this possible.

First and foremost we must recommit our nations to a liberal open trading system. This requires a strong pledge not to take GATT illegal actions, despite the enormous political and economic pressures facing each of us. It also requires a commitment to roll-back, over time existing GATT illegal actions. The present text represents a substantial step in this direction, one which I welcome.

Political commitments, however, will have a hollow ring unless accompanied by operational agreements on safeguards and dispute settlement. We have been working on these problems for too long without resolution. The time has come to agree on the major elements of a safeguard agreement, or we will jeopardize the trading system. With respect to dispute settlement, progress has been made, but we can do more, much more. And we must.

Third, the question of agricultural conflicts troubles all here. The key issues concern quotas, waivers and export subsidies. These issues must be addressed. In particular, we must give priority and expedited attention to export subsidies which threaten to draw us into wasteful and dangerous competition. We must seek to develop an approach which will permit each nation to pursue its own agricultural policies, while requiring fair and equitable international competition. We have seen evidence of a willingness to seek improvements. We must translate that into a work programme that will give the subsidy issue the required priority.
For the continued health of the GATT, it is imperative that we study issues yet to come - or we will be unprepared to deal with them. In the coming decade, accelerated growth in services and high technology industries will see enormous numbers of new jobs. Many of these jobs will depend on trade, and will materialize only if we can avoid the introduction of new barriers.

We propose that we study them, without any commitment or pre-condition.

Finally, no system can survive without equal protection and equal opportunity - for all its participants. We have to ask ourselves if this is the case today.

In recent years, world commodity prices have collapsed, debt service requirements have exploded, inflation has run rampant, recession has reduced sales, barriers have crept higher, and energy costs have soared. All have been hurt, none more so than developing countries. For many the situation is almost desperate.

There are answers. They are not quick, not always painless, but there are answers. Developed nations must keep their markets open. Developed and developing countries alike, must act together to strengthen multilateral discipline on a mutually beneficial basis. In order to achieve this we must develop necessary approaches for strengthening commitments in North-South trade. This is not simply a moral need, it is an economic imperative.

I can recall an old fable of a king with an invisible suit of clothes. All his court praised his beauty, but it was a little child who proclaimed "the king has no clothes".

It will be clear to all citizens whether we have clothed the trading system with integrity, political commitment, strong procedures, and a programme for the future.

I pledge to you my willingness to negotiate, to consider alternatives, to compromise, and to listen as we attempt to bring these questions to a resolution.

I cannot pledge to accept failure, and call it something else. Our collective stake in this system is too high. We must succeed.