NEW ZEALAND

Statement by the Hon. Mike Moore
Minister of Overseas Trade and Marketing

This is called a critical celebration; the 40th anniversary of the birth of GATT. Everyone knows what is wrong, so let us agree and celebrate what is right.

The GATT was founded by the idealism of our fathers out of the misery of depression and tragedy of war. Let us not ignore the iron reality that much of the blame for the holocaust of war can be sheeted home to the collapse of the world-trading system.

Despite the fact that New Zealand sees herself as a victim of the trading system where 70 per cent of our exports are excluded from the full disciplines of the GATT because they are agricultural, we support the GATT and like to believe we are good citizens of the GATT.

I commend this principle to other small nations and developing countries - it is the small guy who needs the policeman. But I occasionally wonder what might have been the case if the virulent protectionism we as a country face today, in the exports of interest to us, had been present 100 years ago.

About 100 years ago New Zealand became economically viable when a new technology arose - refrigeration - which allowed us to exploit our comparative advantage in temperate climate agricultural products. That particular development story would be impossible in today's world, indeed, the very appearance of a new technology with comparable outstanding commercial possibilities would be seen today, not as something welcome - the means by which societies advance - but as something to be suppressed or mastered by management of the market concerned.

Nobody in this room, contemplating the year 2,000, can tell you where the next challenge will come from, what possibilities will open up for which developing country, what new industrial, agricultural or service technologies will transform political choices. This is why I believe that the concept of managed trade - whatever may be its superficial political attractions - is finally unrealistic and untenable.

After forty years, more than ninety contracting parties of GATT are going to have to decide, through the mechanism of the Uruguay Round, which direction we are headed.
Let us recognize the achievements of little more than one year. We have a new GATT Round. Papers and proposals are on the table or will be by the end of this year at each of the fifteen negotiating committees. The cards are on the table, let us then play and deal. But let us ensure we are all playing the same game. Thus, moves by anyone to break standstill or the spirit of Punta del Este must not be broken or the house of cards may take over.

So let us again look at what did not happen because of the recent stock market crash. There was no major banking collapse, no one has walked away from the GATT, protectionism has not become a spontaneous political reaction to these events. Indeed the opposite has happened. Informed commentators and leaders have learnt the lessons of history and although the building was rocked by events, the foundations are still there.

I have confidence in the collective wisdom of leaders in this hall. From the poverty of Peru to the affluence of Australia, and from Barcelona to Bangkok, there is a new commitment to old, enduring ideals. It is for us as political leaders to lift our vision and direction out of a swamp of detail and send a signal of hope and direction. Indira Gandhi said "If you leave a problem on the technical plane too long it can be lost in detail".

Because of the crash, and that crisis, our work, the work of GATT has come back onto centre stage. We knew at Punta del Este that the time for agreed, concerted action had come. But the clock is ticking faster than we imagined.

The Uruguay Round must restore a clear sense of direction: political and commercial markets must be able to conclude that we are proceeding, and rapidly, down the track of comprehensive and sustained multilateral trade liberalization. This cannot be done by papering over fundamental difficulties with communiqué language.

So what is required? In the first place, it means providing a firm and credible programme for bringing the major sections of world commerce within the framework of that GATT system. I am not just talking about the old issues, of which agriculture is obviously any New Zealand Minister's principal concern. I am also talking about the non-traditional issues such as services. You cannot advocate giving a clear sense of direction to the multilateral world trading system in the next century and at the same time leave important parts of world commerce aside.

The speed of movement will inevitably be different - that is political common sense, and it will finally be determined by the balance of interests in the negotiation itself. As a purely practical matter, however, I do not believe political and commercial markets can wait the full four years to see whether the GATT can deliver the goods. There has to be a mid-term review of the results - and I emphasize results - of the Uruguay Round in about a year's time, not a stocktake, not an audit nor a vague wish list,
but an agreed, exciting, firm and global list of mid-term achievements. To get a politically acceptable result, everyone will need to point to some gains somewhere. So whole areas of the negotiations cannot be left aside, although obviously the work, and political understandings, will be more advanced in some areas than in others.

There are still some who see postponement as victory, delay as achievements and slogans as statemanship. But they are fewer and smaller in stature than before. Harry Dexter-White, the United States Leader at Bretton Woods, faced with a similar opportunity for bold and swift reform, said "We must substitute before it is too late imagination for tradition, generosity for shrewdness, understanding for bargaining, toughness for caution and wisdom for prejudice. We are rich - we should use more of our wealth in the interests of peace".

Let then our generation earn its place in history so that at the 60th birthday of the GATT people will say that those who had the opportunity in 1987 and 1988, took it.