Many of you know France well, the values dear to it, the significance and the nature of the contribution it has always made to international co-operation.

My country was a founding member of GATT and has constantly devoted its efforts - first in its own name, then in the framework of the European Community and with the other member States - to making the institution progress in the broadest possible consensus among the signatory States of the General Agreement.

Today again, it seems to me that we must give priority to solutions of moderation and consensus, in preference to extremism and confrontation, in order to face up to the serious tensions that are threatening the free trade system.

That is why my country, like its partners in the European Community, is in favour of the launching of a new round of multilateral trade negotiations.

The world economy is today affected by serious imbalances. In the developed countries, we have seen the development of surpluses and current payment deficits of unprecedented magnitude. In the developing countries, the persistence of financial difficulties is maintaining the ever-latent threat of an acute crisis of indebtedness.

In such a context, the temptation of protectionism is often strong, as is that of bilateralism.

In this difficult climate our meeting can mark a turning point, but not necessarily: for a successful launch of the New Round, moderation must prevail. We must be reasonable; I would like briefly to develop this.

To be reasonable implies, first of all, re-creating a stable and foreseeable environment for the development of trade and the opening of markets, in particular to the exports of developing countries; hence the importance of the commitments on standstill and rollback which are crucial to a return to confidence in trade relations, and I would hope for equitable and balanced fulfilment of those commitments.
To be reasonable also implies seeking, actively and ambitiously, to adapt the GATT to the new realities of world trade. The GATT must be modernized and renovated.

Renovated as regards its coverage, first of all. The real problems of world trade today go beyond the strict framework of trade in goods. France is in favour of including new subjects in the future negotiations – namely, services, intellectual property and investment. These subjects must find their place in the framework of a global balance of negotiations, because only this unified and global approach can measure up to what is at stake. Without delaying the outcome of the negotiations nor holding back progress in the traditional sectors, this approach offers new opportunities for succeeding, while respecting the sovereignty of States and the differences that exist between contracting parties.

The GATT must also be renewed as regards its functioning. Procedures must be found which, while respecting the consensus and without superseding the area of negotiation as such, allow contracting parties to resolve their disputes in satisfactory conditions of equity, flexibility and expeditiousness.

Lastly, the GATT must be renewed as regards its disciplines: it is not enough, in the present circumstances of trade, to elaborate general rules and principles. The latter must secure real and effective reciprocity of benefits while, of course, respecting differences in levels of development.

To be reasonable also implies recognizing that, in some measure, the difficulties of world trade have their origin outside the trade sphere. That is why it is essential that the New Round be accompanied by parallel progress and results in the monetary and financial areas: today we should not shirk from recognizing such clear realities.

Lastly, more than any other subject of the negotiations, agriculture calls for reasonable treatment. In a situation of tensions and of market imbalance, everyone must take on his share of responsibility and effort.

Improvement and strengthening of disciplines are necessary in regard to both imports and exports, as is greater control of public support measures. This is in the interest of all countries, in particular those among the indebted countries which depend on their agricultural exports for a substantial part of their development resources.

The agricultural negotiations cover a tremendous area. To succeed, they must be initiated without any exclusion or prejudgement, on a global basis which takes account of the specificity which is a natural and therefore irreducible characteristic of this sector.

With respect to agriculture, to be reasonable implies that some partners must not demand that some other partner should dismantle essential components or instruments of its agricultural policy.
The European Community, I may say, sets the example and does not shirk from the adjustment effort that circumstances require. In this regard it has taken the most courageous measures, in particular in the areas of dairy products, sugar and cereals.

It will continue to do so, just as it continues to guarantee privileged access to its market for the exports of many developing countries. As you all know, the Community is far and away the largest importer of agricultural products in the world, in particular from developing countries. It is therefore making a major contribution to international agricultural trade.

To be reasonable implies allowing the European Community to retain this rôle, and for that its integrity must be preserved. It would be unreasonable to demand that the Community bring back into question the fundamental objectives and mechanisms of its agricultural policy.

A priori, the Community does not set any limits to the negotiations, and can in no way agree to prejudge their results. Such an approach would undoubtedly condemn this meeting to failure. Let us have the courage to recognize this frankly.

Like many countries in the "reasonable" camp, France is embarking on these negotiations with an ardent desire to succeed. This is the reason for the proposals and oppositions it expresses. It will do everything to that end. I hope that common sense and reason will prevail among us and that we shall be able to leave Punta del Este having together achieved - thanks to the skilful manner in which we know you will conduct our work, Mr. Chairman - decisive progress in the direction of growth and prosperity.