

THE URUGUAY ROUND AND EUROPE 1992

As GATT ministers meet in Montreal in December to provide political momentum to the multilateral trade negotiations (MTN), there are increasing concerns about whether the European Community (EC) is becoming more protectionist as it approaches the completion of the integration of its internal market by 1992.

Regional and Multilateral Trading Arrangements Can Go Hand in Hand

At the Toronto Economic Summit, world leaders acknowledged their belief that developments, such as the completion of the EC's internal market by 1992 and the Canada-U.S. Free Trade Agreement, "should support the open, multilateral trade system and catalyze the liberalizing impact of the Uruguay Round". A successful Uruguay Round, they declared, would assure the integrity of the world trading system by enhancing the role of clear trade rules, trade expansion and economic growth.

Each step in European integration, from the formation of the Common Market in the 1950s through its expansion to include the United Kingdom, Ireland and Denmark and, more recently, Spain, Portugal and Greece, has been accompanied by increased undertakings to liberalize trade globally within the GATT. That has been the experience of the Dillon, Kennedy and Tokyo Rounds of multilateral trade negotiations during the 1960s and 1970s.

The commitment of the EC to a successful Uruguay Round is fundamental to ensuring that the completion of its internal market contributes to the further expansion of international trade and to resisting protectionism.