

TO STRENGTHEN GATT INSTITUTIONS, ESPECIALLY FOR DISPUTE SETTLEMENT AND SURVEILLANCE OF NATIONAL POLICIES, AS WELL AS CREATING A CLOSER LINK WITH THE IMF AND THE WORLD BANK.

THE MID-TERM REVIEW MEETING, WHICH I HOSTED IN MONTREAL IN DECEMBER WAS DISAPPOINTING FOR WHAT IT FAILED TO ACHIEVE ... ESPECIALLY ON THE THORNY ISSUE OF AGRICULTURE ALTHOUGH IT DID RESULT IN VALUABLE PROGRESS IN OTHER AREAS. IN FACT AGREEMENT WAS REACHED IN 11 OF 15 AREAS. ONE SHOULD REALIZE THAT THE SCOPE OF THE URUGUAY ROUND AGENDA IS MUCH MORE COMPREHENSIVE THAN THAT OF ANY PREVIOUS ROUND. ALSO, MANY MORE DEVELOPING COUNTRIES AND NEWLY INDUSTRIALIZED COUNTRIES ARE TAKING AN ACTIVE ROLE IN THE NEGOTIATIONS. THIS DOES NOT SIMPLIFY THE TASK OF REACHING AGREEMENT. MANY DIFFICULT QUESTIONS REMAIN TO BE ADDRESSED, IT IS WORTH RESOLVING THEM, BUT HOPING FOR DRAMATIC EARLY RESULTS WOULD BE UNREALISTIC. IT WAS CLEAR AT MONTREAL THAT GATT MEMBERS ARE NOT WILLING TO MERELY PAPER OVER THE DIFFERENCES AND THIS IS, I BELIEVE, A SIGN OF THEIR COMMITMENT TO A HEALTHY MULTILATERAL TRADING SYSTEM.

EUROPEANS INCLUDING BRITISH LEADERS, HAVE EXPRESSED THE VIEW THAT U.S. CURRENT AGRICULTURAL GOALS IN THE GATT ROUND ARE OVER-AMBITIOUS. ALTHOUGH WE MAY AGREE THAT THE INITIAL U.S. PROPOSAL OF ENDING ALL SUBSIDIES BY YEAR 2000 WILL NOT BE THE OUTCOME OF THIS ROUND OF NEGOTIATIONS, MAKE NO MISTAKE THAT CANADA IS FIRMLY IN THE CAMP THAT WANTS AN END TO THE DISRUPTIVE IMPACT OF THE EUROPEAN COMMUNITY COMMON AGRICULTURE POLICY. THE WORLD LOOKS TO A SUBSTANTIAL COMMITMENT FROM EUROPE TO ADJUST THESE POLICIES. MEANWHILE, WE ARE EXPECTING BOTH THE COMMUNITY AND THE U.S. TO DEMONSTRATE THE POLITICAL WILL NECESSARY TO MOVE NEGOTIATIONS FORWARD.

IMPORTANT PROGRESS HAS SO FAR BEEN MADE ON MARKET ACCESS, TRADE RULES, DISPUTE SETTLEMENT, THE FUNCTIONING OF THE GATT, TRADE IN SERVICES AND TROPICAL PRODUCTS.