

Perhaps no area of structural reform is more important than doing away with barriers to international trade. As we all experience the realities of a global marketplace, we are all becoming more and more dependent on trade and more exposed to international business influences.

That is why the General Agreement of Tariffs and Trade (GATT), and strengthening it through a successful conclusion to the Uruguay Round, is so critical to the future of economic restructuring. Most of the recent attention has focused, of course, on the agricultural sector.

The Uruguay Round represents a desperately needed opportunity to provide an effective brake on the cutthroat competition and dislocations on world cereal markets caused by trade-distorting export subsidies. But the Uruguay Round also encompasses other vital issues reflecting the evolution of the global economy and trade flows over the last two decades. Rules on trade-related intellectual property would encourage increased innovation and technology transfers that benefit us all. Trade in services, which now represents over one-fifth of all world trade, would, for the first time, come under multilateral disciplines.

But the most important immediate achievement of successful Multilateral Trade Negotiations (MTN) could well be their contribution to the world economic climate. It's another example of the double-edged sword of prospect and peril we face. As Arthur Dunkel, Director General of the GATT, so aptly said yesterday at the World Farmers Congress in Québec City:

"A successful conclusion to the Uruguay Round is urgent. Policy-related uncertainty is among the worst enemies of economic actors who have to make investment decisions practically on a daily basis."

I believe that success in the talks should bring about a tremendous and badly needed boost in international business confidence. It would signal a continued commitment to order and stability on world markets, and ensure a credible, modern, rules-based trading system. This could provide the spark that could stimulate a more robust recovery.

Failure, on the other hand, would unleash protectionism and renew innumerable bilateral trade disputes that are being held in abeyance pending the ultimate outcome of the Uruguay Round. It would send an alarming signal to the business community that may well result in a prolonged period of instability in the global economy. This would diminish trade and investment opportunities -- and limit growth prospects in all our economies. It could do so at the very time when dramatic new demands for investment capital are emerging, especially for the reconstruction of Eastern Europe and the former Soviet Union.