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Statement by H.E. Mr. Jeffrey Lang
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Introduction

Just two years ago, we collectively brought the Uruguay Round to a triumphant conclusion. About one year ago, it became clear that we had achieved the critical mass of ratifications needed to bring the World Trade Organization into force as from the beginning of this year. Now, in the Director-General's first annual report to the members of the WTO, we see that the current membership of WTO has reached 112 countries and customs territories. Looking back to Punta del Este, slightly more than nine years ago, how many of us would have thought this to be possible?

This is all the more incredible when one realizes that the WTO, like the GATT before it, represents not an organizational approach based on the United Nations model but rather a binding contractual arrangement among members, which carries with it a substantial price of entry and an ongoing obligation to abide by a set of rules which are over time applied equally to all Members of the Organization. While the high drama of two years ago is behind us, we should not lose sight of our collective accomplishment.

Neither should we rest on our laurels. It is clear that regional trading arrangements are gaining in popularity. Those which the United States is involved in look to the WTO as providing a solid foundation to go further. While we have profound reservations about such agreements that do not conform to the WTO, we believe those that do are not to be feared. On the contrary, they should be seen as challenging the multilateral system to keep pace with the interests and needs of Members. We think that the WTO can meet this challenge, but it will take effort and hard work on all our parts if the WTO system is to continue to be seen as offering all of its members something of tangible value. Let me be very direct on this point. A dynamic, vibrant open multilateral trading system remains central in the development of US trade policy objectives.

So far, our progress has been positive. But it has also been far from perfect. We need to remind ourselves as we head toward the first of our Ministerial Conference meetings next December in Singapore that there is a great deal of hard work still before us.

The hard work ahead

I want to turn now to an assessment of our situation to date.

On institutional issues targeted for action in the first year of the WTO, I think our record is decidedly mixed. Speaking from a US standpoint, it should have been possible to place the WTO on a more equal footing with other international institutions having responsibilities in related areas.

We are also concerned that it has not been possible -- after so many months -- to define our relations with NGO's, lift the unhelpful veil of secrecy surrounding our day-to-day activities or even agree on an ethical code of conduct. If we cannot soon complete and implement work in these areas - areas which are all visible to our political and private sector constituencies -- the institution and the system will suffer.

Turning to unfinished business, we must ensure a meaningful and important outcome to the current negotiations on basic telecommunications services. This is a sector of activity which is increasingly central to our political, economic and social well-being. Telecommunications is the nervous system of the global economy. We cannot afford to lose control over our own nervous system.

Telecommunications liberalization -- which means competition -- is also critical to development. The new technology is such that private competition is now actually the most direct route to universal service for all people. If the Members of the WTO show themselves unequal to the task, then many WTO Members may be left without access to this technology and thereby postpone not only their development, but universal service itself, which is the main argument for resisting liberalization.

Finally, the agreement in telecommunications is a first test as to whether the WTO can be adequately begin to address the so-called new issues, especially competition policy.

As we approach the Singapore meeting, the environment/trade relationship is another that deserves our full attention. In the Director-General's report, he states that "members believe there is no inherent contradiction between upholding and safeguarding an open, non-discriminatory and equitable multilateral system on the one hand and protecting the environment and promoting sustainable development on the other." We need to prove this valuable conclusion through our actions and ensure that the Committee on Trade and Environment produces concrete results for the Singapore meeting. Obviously, this is not the end of the road for the Committee, but it is nevertheless a critical decision point.

Success stories

Let me turn now to our successes.

With the new WTO, we have enlisted a new Director-General. The WTO, like the GATT, must continue to be a "member-driven organization." Thank you for your efforts, Mr. Director-General, in helping us to maintain this important aspect of the WTO. We also applaud the recent decision on the naming of the WTO's DSU Appellate Body. While it may have taken us a long time to conclude on this issue, the end result is an Appellate Body that reflects the highest caliber persons we could name to that position and a group in which we can easily place our full trust for hearing eventual appeals of dispute settlement panel findings.

I feel we should in fact all take some comfort from the situation which exists broadly in respect of the implementation of substantive obligations under the WTO. There are some problems, and not every Member has yet met all its implementation obligations -- a prime example being the satisfaction of overly numerous notification requirements. Nevertheless, whether we are looking at agriculture or industry, services or goods, important progress has been registered across-the-board.

The heart of the WTO is the new dispute settlement system. Many expected that the introduction of the DSU earlier this year would lead to a load of new dispute settlement actions which the system would find hard to absorb. We do have more cases to cope with than before, but we have found that the new system has had a positive impact in dissuading the lodging of suits with a questionable legal justification and encouraging the bilateral resolution of problems short of a panel report. How better could we demonstrate the value of the rule of law and our respect for the system?

Looking ahead to Singapore

The next year will bring new challenges to the WTO, particularly in areas such as TRIPS, where many Members will find it difficult to comply with the substantive obligations of the Agreement. In negotiating the Uruguay Round Agreement, we wisely agreed that more regular involvement of Ministers was needed in the operation of the WTO and implementation of its mandate. The first of such regular opportunities will be in Singapore next year. This means we have to take a somewhat different approach to ministerials than we previously took in the GATT. We believe that the preparations for Singapore need to be done with great care and realism in order to avoid setting unreasonable expectations for the first in a series of regular ministerial meetings. We are heartened by the consensus that appears to be emerging that the priority for Singapore must be on implementation of the Uruguay Round Agreements. But, we cannot afford to take a narrow approach to implementation.

An important change resulting from the transformation of the GATT system to the WTO was the establishment of the WTO as an ongoing negotiating forum and a venue to deal with new issue areas. One need only look at the impressive "built in agenda" to see that we do indeed have considerable work ahead of us in following the course set out by the completion of the Uruguay Round. At the same time, however, we must continue to look to the future. What direction and course should be set as the WTO looks beyond Singapore and pursuit of the built-in agenda?

Like others, we hope over the course of next year to engage in discussions about the further agenda for the WTO and the development of work programs to assure that the WTO remains vibrant and at the cutting edge of trade liberalization. As traditional trade barriers are reduced, we will have to consider how the WTO can contribute to reducing corruption in trade. Independent organizations now tell us corruption may be the single greatest non-tariff barrier to trade today. The United States has what we believe are some constructive ideas to submit on this subject.

We must also discuss the interaction of trade and labour standards. It is now obvious such an interaction exists, and that we can discuss this issue without risking establishing an excuse for import protection.

These issues, taken together, will present the General Council with a formidable task for 1996 in balancing the need to assure effective implementation of the work already identified for us while beginning to operationalize a WTO vision for the future. It is our view that solid preparations in Geneva, aided by work at home and increased attention from officials in capitals, is the only way to ensure that Singapore maintains WTO's role in the trading system.

Conclusions

I have tried to stress our assessment of general trends. If I have not referred to any particular issue, it does not mean that issue is not an issue of concern to the United States. The WTO is far too complicated to be fully encompassed in one short statement in the General Council, and all of us know details matter in trade. Nevertheless, if there is one last area to which I feel compelled to refer, it would be that of the accessions process. Given that entry into WTO is costly for the applicant -- in more ways than one -- why would more than twenty important countries and customs territories be seeking entry into WTO at this point if they did not think we were on to a good thing? Let us not prove them wrong.