

**JOINT PRESS CONFERENCE****Conclusion of World Trade Organization Ministerial****U.S. Trade Representative Charlene Barshefsky****WTO Director General Mike Moore****December 3, 1999**

**QUESTION:** Ambassador Barshefsky, first of all, did you speak to the White House or the President before taking the decision to bring these talks to time-out, as you put it?

And Director General Moore, was this the first trade talks where the developing world felt that their voice was properly heard and actually their views were properly taken account of, as many have told us following the meeting?

**AMBASSADOR BARSHEFSKY:** With respect to your first question, yes, of course we consulted with the White House and with the President all during the day, as I had said in the smaller room. I had been thinking about this issue for a number of hours before talking to Mike Moore about taking a time-out and so, of course, yes, the White House and the President were fully consulted.

**DIRECTOR GENERAL MOORE:** I think the question to me was that some developing countries had said this was the first time they felt their concerns were being paid attention to. Well, that's very flattering. I don't think we paid enough attention and we're going to learn how to do it better.

We've tried very hard in the new system. We've evolved to involve as many as we can, but it's not good enough. We're running an institution of over 130 members based on a culture 50 years old of 30 or so members, and that has been one of our difficulties, not only here but in Geneva. Some of you -- it may come as a surprise, but 30 of our member nations do not have enough resources to have a mission in Geneva so we've organized links in information to try to engage. It's never enough.

It is enormously disappointing that we were not able to finally put together a package for the least developed countries, because they need jobs and opportunity, and we weren't able to put together the package we want for technical assistance for the marginalized. But I can report to you that all that work and implementation elsewhere is not lost. We can start again. This is not the first time a round has been postponed; it's almost a regular event in an extremely complex situation. And I'm looking forward to fulfilling the mandate given to me by the ministers today.

**Q:** Mr. Moore, you came here promising a development round for developing countries. You've ended in abject failure. Are you considering your own position as Director General of the WTO in the light of that?

**DIRECTOR GENERAL MOORE:** No, I don't think I ever was foolish enough to name the round and there have been various names used. I want to do a lot more in regards to developing countries. I've spent my life in public service, and I like to think that my life in public service has been based on looking after those who battle and the strugglers, and those

who have the least. That's my life. I see the WTO as doing more. Now I intend to fulfill my contract. I've got a background in fulfilling contracts from the labor movement.

**AMBASSADOR BARSHEFSKY:** I'd like to make a comment also, if I may. A round is for all countries -- of course least developed, developing and developed -- but we did make actually quite a bit of progress in each of the texts in differentiating particularly the least developed but also developing countries from those more developed.

And I think that there was a very good spirit on the part of the developed countries and indeed some of the higher income developing countries to ensure that whether the subject was agriculture or tariff or non-tariff barriers, capacity building and so on, that special provision was drafted to ensure more benefits for those countries, for better access for those countries through a process of negotiations.

So I think that that was very positive. The Quad countries [the United States, Japan, European Union and Canada] are continuing to work on an initiative for the poorest countries with respect to preferential market access and with respect to capacity building, and that Quad work based on some joint work that the U.S. and the EU did -- but now joined by Japan and Canada -- will continue.

**Q:** I have to swallow my anger first before I can put the question without emotion, but I would like to ask Ms. Barshefsky whether she is aware of the sort of the unflattering comments that delegates and ministers have made? And I won't repeat them here. I don't need to put salt in your wounds.

But, basically, what do you say to these people who said this was a terrible mess; it was the worstly organized conference; and maybe going even further, they say -- some of them said this was deliberately done and that failure has always been an option, a political option for the United States, who has been lukewarm at best at the beginning for this round. So what failure or political option -- is that a price that you are prepared to pay in order to make sure that Al Gore gets his candidacy?

**AMBASSADOR BARSHEFSKY:** Apart from the outrageousness of the question, though not the commentary which I'm interested to hear, no, the United States came to this conference, decided to chair and host the conference, the President of the United States attended the conference -- all with the intention that a new round should be launched. There has never been any question about that, nor has there ever been any wavering of any sort in the U.S. intention to participate in the launch of a new global round. There is no question about that at all.

The United States came with, I think, a very flexible attitude. I think the United States demonstrated its flexibility a number of times. I also think that the issues that had been intractable, particularly agriculture as well as other issues for so many years, still in terms of the very most difficult decisions, remain intractable. That is simply a factual statement, not a statement of the intention of the United States.

So our goal has been and will continue to be the launch of a new global round and there has never been any question or wavering or second thoughts or any action inconsistent with that single objective.

Q: [Inaudible]

**AMBASSADOR BARSHEFSKY:** I don't think any, because most of those issues were not even gotten to in the course of the deliberations that we had had today. There were a number of texts that were developed in the plenary session of the ministers. There was a text, for example, developed on the questions of trade and globalization, development and labor, still needing to be obviously discussed and so on, but it had not been discussed.

What I think happened, and this has happened -- this is the fourth in a series of this kind of episode is that delegations came I think prepared to work exceptionally hard and very much in good faith but not quite willing to make the political decisions, and that is actually what happened.

**Q:** The NGOs [nongovernmental organizations] are saying that the suspension of talks is a victory for them and the protesters here this week. Do you agree with that?

**AMBASSADOR BARSHEFSKY:** No. The suspension of talks had to do with the substance of what was being discussed. There really was not a discussion in sort of the more restricted meetings of the issues relevant to the NGOs because some of the baseline issues were simply not resolved in an adequate fashion or simply not resolved at all. Obviously the protesters expressed a series of views which, as you know, are views in many instances with which the United States is sympathetic, but this really did not play a role in the deliberations today.

**Q:** I would like to follow up on that question. Given that perceptions play a very important role in this business and given the state of shellshock into which most every OECD [Organization for Economic Cooperation and Development] member governments were thrust after the NGOs claimed, rightly or wrongly, responsibility for the ending the MAI [Multilateral Agreement on Investment].

Could you please tell us how you think that in the next efforts to get a round going again the role of the NGOs should be taken into account and precisely how you wish to change your tactics since the situation where they are left claiming victory for what is obviously the failure of government is not one that responsible policymakers could tolerate.

**AMBASSADOR BARSHEFSKY:** First let me confirm I think the failure is the failure of government; it is not related to the NGOs. But, you know, the United States has now for several years urged increased transparency in the WTO process, including greater public participation; for example, with respect to our initiatives on opening up the dispute settlement process to public observation.

These are and have been difficult issues for the WTO because the institution, as the GATT [General Agreement on Tariffs and Trade] before it, is government-to-government, and so on the part of many countries is a great reluctance to further open the process even in cases of dispute settlement which are almost quasi judicial proceedings in nature.

I think this is an area whose time will come -- I would hope sooner rather than later -- because, just as there are always concerns within the WTO about the transparency afforded all countries, there are public concerns similarly about the transparency afforded -- and both need to be addressed.

**Q:** Ambassador Barshefsky, I have a few quick follow-ups on your comment. First, do you see the DSU [Dispute Settlement Understanding] review on hold as a result of the events this week, or is that something that can be moved forward on its own?

Second, you said the work on behalf of the LDCs will continue. When can we expect a U.S. announcement on the initiatives that the President has politically endorsed?

And third, you said you believed that some of the countries coming here in good faith were not ready to make the hard political decisions. What do you see happening next year that would change that and would allow them to make the hard political decisions?

**AMBASSADOR BARSHEFSKY:** I think on your questions about the dispute settlement understanding, I think the WTO will do sort of a general inventory of matters. I think that will continue, and I think that the DSU review will be completed.

With respect to the least developed country initiative, we have had a series of discussions with Europe but also Japan and Canada, and I can't tell you when those discussions will conclude except that they're moving along I think at a very good pace.

And with respect to political decision-making, you know, there was a Brussels ministerial in 1990 which was when the Uruguay round originally was going to close, and people came and they simply weren't ready and, ultimately, things were somewhat delayed. But there was a similarly failed result in December of 1992 and then the round concluded in 1993. I think sometimes an iteration helps moves the process along. I think that will be the case here.

**Q:** Ambassador Barshefsky, I would like to ask you, was the leadership of this conference in accordance with your ambition as to democracy in the organization? Thank you.

**AMBASSADOR BARSHEFSKY:** Yes. In the sense that we employed first off as the principle vehicle working group process in which all countries could participate at their own choosing. That was the first time that that had ever happened, and that is the process by which the initial negotiating text were developed. The chairs of that process worked very, very hard to bring those texts along.

But ultimately, again because there are a huge array of issues which in the past have proven intractable remain so, and so we convened a green room process which I was considered the old style of doing business when you put, you know, a very, very limited number of countries in a rather small room. And as I said, my observation in that process which I chaired where I pushed delegations in various ways demonstrated to me fairly concretely that governments were not ready to take the leap. I mean it's that simple.

If that's the case, and it was, we could stay there all night, we could stay there for five days, it wouldn't matter. Governments weren't ready to take the leap. And in a situation like that, I felt very strongly that we ought to, as I said, take the time-out because sometimes you need to stop before you can actually make progress. This is not uncommon in negotiations. And I think we will make progress, and I think the time-out was absolutely necessary.

**Q:** Ambassador Barshefsky, the agriculture and services negotiations you said will continue, but so much of the progress made in those areas depended on balanced progress in other

areas. So now that these issues will be on their own for at least a while, can we expect any progress on them?

**AMBASSADOR BARSHEFSKY:** I think there will be progress on each because of the progress made here; that is, countries now know each others positions in these two areas to a rather large extent, not necessarily captured in writing but certainly understood in discussions. That in and of itself I think will generate progress.

And then, of course, Mike Moore will be working simultaneously on the array of issues which have been left on the table today, and that process will also move along simultaneously, and I think there will be something of a synergistic effect between the two.

**Q:** I just want to follow up on the last point. If you believe that there will be programs on the agriculture front, what's the foundation of that belief when you have essentially the political decision-makers here presumably, when you take it back to Geneva where the diplomats will take over? On what basis -- considering they seem to come together on core principles, on what basis will that progress be made?

And secondly, from the standpoint of the United States, given that you're going into an election year now, what level of engagement would you expect both from the administration and the American public on the trade issue? And if there's a change in the White House to a Republican administration what -- I realize that's a hypothetical -- what impact will that have? And even if there is a Democrat, presumably the new President will have to have some time to get up to speed. So on those two points.

**AMBASSADOR BARSHEFSKY:** With respect to progress, no negotiation starts at the end of it, and there is huge amounts of work in agriculture negotiations that have to take place before you get to the very most difficult issues. And for that reason, I am absolutely confident progress will take place because that is the nature of the kind of very complicated negotiation that always attends agricultural trade issues.

With respect to the election year and all of that, the administration has been and will remain firmly engaged, first off, because we want to launch a new round. Second off, we have China MFN [most favored nation] on our plate. If that doesn't show engagement, I can't imagine what would. And, third, we have a variety of other initiatives which will be moving along and pushing to conclusion.

So, yes, the United States will remain absolutely, firmly, actively and indeed enthusiastically engaged in trade throughout the year.