

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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CZECHOSLOVAKIA: STATEMENT BY DR. JÁN STRAČÁR, DEPUTY MINISTER OF
FOREIGN TRADE, AT THE MEETING OF THE GATT CONTRACTING PARTIES
AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,
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Allow me also to thank you on behalf of the delegation of the Czechoslovak Socialist Republic for the invitation to your beautiful country and for the warm welcome we have received. In addition, I should like to thank the Chairman of the Preparatory Committee and all its members for the proposals they have prepared for our session. Our thanks are also due to the secretariat and to the organizers responsible for the conduct of this session.

Czechoslovakia, as a country the growth of whose national income depends largely on favourable development of foreign trade, has been a contracting party to the GATT since its foundation and traditionally supports efforts to liberalize international trade and to strengthen the international trading system. This has been demonstrated by its participation in all the GATT conferences held thus far with the aim of reducing tariff and non-tariff barriers and negotiating effective multilateral disciplines.

In our view, the development of international trade is also one of the important requirements for the development of peaceful co-operation and mutual understanding among countries and it is also for this reason that we support the co-operation of the greatest possible number in the preparation and implementation of measures to this end.

We believe that the accelerated implementation of global measures for the achievement of the above-mentioned objectives, based on the most-favoured-nation principle and mutual benefit, while respecting the interests and needs of all countries, is essential for halting the growth of protectionism that is threatening the international trading system. The principal means of strengthening this system lies in liberalization of international trade carried out in accordance with the principles and rules of GATT.

For this reason, the Czechoslovak Socialist Republic has participated actively from the outset in the preparation of new multilateral trade negotiations and is interested in the success of negotiations leading to the objectives previously mentioned.

If the negotiations are to be effective and are to take place with the active support of the greatest possible number of countries, and if they are to lead to results which will be successfully applied to the practice

of international trade, they must take account of the interests and needs of all the participating countries and be directed towards the solution of current problems of international trade.

Like other countries, the Czechoslovak Socialist Republic believes that an important condition for the launching of new international trade negotiations is abstention from the establishment of new trade barriers and the accelerated and priority removal of existing barriers that are inconsistent with GATT. In the first place, barriers applied in a discriminatory manner must be abolished. Trade restrictions and prohibitions applied for non-economic reasons should also be rapidly eliminated for they are detrimental to trade and its structure, they increase uncertainty in international trade and completely disregard one of the fundamental objectives of GATT, notably to reduce the dangers of and injury caused by the abuse of economic power. The fulfilment of these premises is essential to revive the confidence of potential participants in multilateral trade negotiations, and to provide concrete proof of the readiness of the initiators of the negotiations to reduce other barriers and to fulfil the commitments undertaken.

The principal result of the multilateral trade negotiations should be respectively the reduction and elimination of tariff and non-tariff barriers to trade in goods. Czechoslovakia is ready to study the modalities of a solution and to take an active part in this.

A serious factor that is tending to undermine the authority of GATT and its rules is the suspension of the principles, rules and commitments of GATT between certain contracting parties. The multilateral trade negotiations should play a positive rôle in normalizing trade relations among the contracting parties of GATT by putting an end to this suspension. We believe that if this question is approached in an objective manner, and free of any non-economic intentions, there are real possibilities of achieving positive results in this field.

Because of continuing erosion of the international trading system, due to non-implementation of the GATT rules, the multilateral trade negotiations must, in our view, contribute to renew and strengthen the authority and effectiveness of the existing GATT rules and principles and ensure that any disputes are settled within GATT and consistently with those rules. The basis for GATT must continue to be the unconditional application of the most-favoured-nation principle and the principle of non-discrimination. These principles have lost none of their validity or currency. On the contrary, there is a growing need for their strict application. In the medium term, it is essential to resist any movement toward erosion of the international trading system, to ensure the equality of trade partners in trade negotiations and to protect agreed concessions. Nor should we forget that discrimination of any kind leads inevitably to other greater discrimination and to retaliatory measures. The long-term consequences of such a process are that all countries would suffer from the inevitable deterioration of trade and trade structures.

The results of the multilateral trade negotiations, their effectiveness and their implementation will also depend on the number of countries that participate. The initiators of the Tokyo Round, being aware of the importance of this question, invited not only the contracting parties to GATT and countries having established formal relations with GATT to participate, but also any other interested countries that wished to play an active part in the liberalization of international trade. This obviously wise approach should also apply to the new multilateral trade negotiations now in preparation, for it would be difficult to disregard the fact that responsibility for the development of the world economy, international trade and the international trading system rests with all the countries of the world, among whom there is growing mutual economic co-operation and interdependence.

The multilateral trade negotiations, conducted strictly on the basis of the GATT principles and rules, will be of advantage to all the participants. Among other things they should encourage the satisfactory development of the developing countries' trade and enable them to play a more ample and effective part in international trade and in the international trading system.

The documentation arising out of the work of the Preparatory Committee embodies all the main proposals relating to the objectives, content and modalities of the New Round. We hope that once they have been unified with a view to reaching a consensus, the views of the Socialist Republic of Czechoslovakia cited above will be taken into consideration.

The Czech Government will make its decision as to participation of the Socialist Republic of Czechoslovakia in these negotiations, following the Ministerial session and in the light of the results obtained.

Next year will see the fortieth anniversary of the establishment of the General Agreement on Tariffs and Trade. Much has changed since it was set up. Nevertheless, today as forty years ago, the world has an urgent need to co-operate in matters relating to trade, to oppose protectionism and discrimination, and to create favourable conditions for the development of all international trade flows, while respecting the interests and the needs of all countries. The Czech delegation hopes that the new multilateral trade negotiations will be successful in this direction.