STATEMENT BY THE REPRESENTATIVE OF CZECHOSLOVAKIA
MADE AT THE MEETING OF THE COMMITTEE ON TRADE AND
DEVELOPMENT ON 9 JULY 1965

1. "May I respond to the invitation of some delegations, particularly of the
distinguished delegate of India, who asked the members of the Committee to review
their countries' implementation of Part IV of the General Agreement. As
Czechoslovakia is one of those countries which apply the new Part IV on a de facto
basis, I feel I would fail my duty without submitting some explanatory words on the
document COM.TD/8. Since the adoption of Part IV, my country has of course,
neither created any new obstacles to the exports of the less-developed countries,
nor has it reduced tariffs on the products of interest to these countries. You
will recall that the last reduction was effected together with appropriate measures
in the planning field last year.

2. "You may also recall that when speaking at the Second Special Session of the
CONTRACTING PARTIES in February last, the head of the Czechoslovak delegation
expressed the idea that adoption of positive measures for increasing the access of
the products of less-developed countries into our markets, was one of the main
avenues through which planned economy of Czechoslovakia may contribute to the common
efforts of increasing the export earnings of the less-developed countries.

3. "That being so, I am sure it would be understood by this Committee that concrete
results of such an endeavour can hardly be expected and moreover expressed by way of
enumeration only five months after the new Chapter was adopted. As far as
semi-processed and processed products are concerned, in some cases the necessity
of structural changes and adjustments is involved, which obviously cannot be carried
out overnight. In this connexion, I am happy to be able to inform the Committee
that the reply of Czechoslovakia on the Committee's request for any information on
adjustment assistance measures, after some delay, for which I apologize, is
forthcoming.

1 This statement is an addition to the reports relating to the implementation
of Part IV, which have been submitted by governments in accordance with the reporting
procedures adopted by the Committee and circulated under Section I of
document COM.TD/8 dated 8 July. Paragraphs 4 and 5 of this statement is an
addition to the information which has been furnished by governments concerning
adjustment assistance measures and circulated in document COM.TD/W/6 and Addenda.
4. The process of specialization of our economy, now under way, makes it indeed possible to absorb some rational trends and also justified demands of the less-developed countries into the framework of a broader concept of our long-term economic development. Believing that the avenue of structural adjustments is appropriate not only for my own country, but for the other countries as well, I dare to submit some comments of a general nature on its limitations, which might be taken care of in the studies of the Expert Group on Adjustment Assistance Measures:

(i) it would seem that those less-developed countries which have reached a certain minimum level of economic development and industrialization are more ready for such positive policies;

(ii) an indispensable degree of security and certainty in international economic relations seems to be required in such an exercise;

(iii) structural changes must meet some long term criteria of economic rationality;

(iv) the necessity to respect some national and local interests and in particular the necessity to create substitute opportunities of employment calls for special attention.

5. Some positive experience, however, has been accumulated in Czechoslovakia. With some assistance from my country, the processing of hides was introduced in India and since then hides constitute a new item of Indian export to Czechoslovakia, as well as to other countries. Similarly, the results of our decision to import jute products instead of processing raw jute in our country, can be clearly seen. The Czechoslovak economy counts on an increasing volume of imports of engineering products from less-developed countries. This process is, in our view, not necessarily bound to be bilateral, but indeed may emerge as a result of common and concerted efforts. I am, for my part, sure that this approach, if adopted and implemented, will bring fruitful results.