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In its capacity as an observer country at this important meeting of the CONTRACTING PARTIES at ministerial level, Venezuela has participated with keen interest in the coming together of many of the most highly qualified governmental directors of world trade. Although, in attending this meeting we do not entertain the ingenuous hope that it will produce magical solutions of trade problems or spectacular results for the recovery of the world economy, neither would we wish to admit that the great expectation which has brought such illustrious persons together is to witness the collapse of a system which would not appear able to fulfil the purposes for which it was created.

The unanimous recognition of the gravity and depth of the international economic recession and the equally general admission that it is a global and interrelated phenomenon which embraces the spheres of production, trade, currency and finance, in some way portends that we are at the end of an epoch.

The present situation, which is the result of contradictory and mistaken economic policies, has precipitated a rapid disruption of the world economy and revealed the exhaustion of the post-war economic model, all of which is manifested in the increasingly evident lack of ground rules, over which negotiating power takes precedence.

The increasing arbitrariness has shown itself not only in protectionism, in recourse to bilateralism, in discriminatory policies, contra-trade, directed trade and the manipulation of markets and primary commodity prices, but also in the imposition of conditions having a strategic aim and the use of economic coercion for political purposes.

It is these factors of uncertainty and unpredictability which promote confusion and anxiety and significantly reduce the possibilities of economic recovery. In these circumstances how is it possible to stimulate new investments and promote "healthy" development of supply? In the case of the developing countries, instead of choosing to promote healthy development of supply for export through fair prices for primary commodities - which would also have made a permanent contribution to the expansion of international trade for the benefit of all - it was chosen to finance their imports on scandalously onerous terms. This artificial and

pathological stimulation through the contracting of debt produced a great expansion of trade of a transitory nature, since the weight of the financial burdens, by substantially reducing the importing capacity of the developing countries, eliminated them as dynamic factors in international trade for a long time.

The same might be said about the policies of industrial redeployment of the last decade, which promoted extensive equipment and modernization of the developing countries. What can be the fate of this enormous effort of investment in products against which the markets are closed?

Among the most important contributions of this Ministerial meeting to the development of a future system of world trade will undoubtedly be the valuable, frank and objective studies made of the operation of GATT. The contrast between intentions and results, principles and facts, is conclusive and unavoidable: the system of international trade, which was the culmination of the effort to achieve international economic order made at Bretton Woods, is substantially unrepresentative. In this system the exception not only proves the rule, it is the rule. This being so, there is no place for fiction or evasion. If we wish to have a set of stable and adequate rules which will make it possible to restore sustained growth of world trade, we must face the facts positively and pragmatically.

The first of these obvious facts follows from recognition of the existence and co-existence of development and underdevelopment. This is not something trivial, for although the rich and the poor keep on repeating the word interdependence, (which is in danger of becoming yet another catchword in conventional rhetoric) few have realized its scope in the sense of sharing responsibilities and accepting the idea of the common destiny of the people of the world.

Thus we see that, as frequently happens when international questions of great importance are concerned, either the developing world is openly ignored or it is treated with condescension as though it were an isolated case or an appendage, rather than an integral and essential part of the whole.

In considering these realities we cannot ignore the process of transnationalization of the world economy, which profoundly affects the developing countries, not only in the area of trade, but also in those of investment, financing, services and technology.

In the countries of the Andean group, we have observed this phenomena for over a decade and we are adopting stable, clear rules which benefit both parties, for the treatment of investment and foreign technology, in order to introduce the necessary interrelation between trade and other economic policies and to establish a fair balance between the interests of the developed and the developing countries.

In this connection, we believe that the frank and clear discussion by which the important problems of international trade are being approached at this meeting, will be the only way to find adequate solutions.

Our impression during the course of this meeting leads us to think that the consequences of international economic interrelation and the search for permanent solutions should be discussed not only in this important specialized forum, but also in others of greater amplitude and universality, such as the United Nations Conference on Trade and Development, in which the countries of the Third World have an increasingly independent and coherent voice, which facilitates constructive discussion between developed and developing countries on all subjects of common interest.