## GENERAL AGREEMENT ON TARIFFS AND TRADE

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At this stage of our debate there is hardly any need for me to dwell at length on the present state of the world economy and trade and on its underlying causes.

May I only say that Poland shares the deep concern, repeatedly expressed here, over a gradual but visible and destructive erosion of the liberal trade doctrine, which provided the original framework for the GATT system. I subscribe myself to the view that if this situation is allowed to continue to deteriorate under the powerful impact of protectionism and other types of trade restrictions, the entire system will face the ultimate danger of collapse.

Let me look at this situation from the perspective of a country beset by many economic difficulties, and yet determined to overcome them.

This country, Poland, has put its stakes on a deep and multifaceted involvement in world commerce, which is the reason why it is now so painfully affected by the world economic crisis.

In the decade of the 1970s the rate of expansion of Polish imports, particularly those from other GATT contracting parties ranked among the highest in the world, sometimes doubling every two or three years.

This import programme had been undertaken as a long-run, integral element of a thorough structural readjustment of the national economy. Its logical sequence was to be an expansion of export potential and export opportunities.

However, before those returns could materialize, the entire process was drastically interrupted.

We are aware of the impact of our own domestic factors on this reversal.

But, when addressing this distinguished gathering of top trade-policy makers, we cannot remain silent about the vitally detrimental effects of external factors related to stagnation of world trade, escalation of protectionism and the application of restrictions and even outright discrimination.

One does not have to search far for adequate examples. Just when the preparations for the Ministerial meeting were on the home stretch and focused on how to strengthen or at least preserve the principles of GATT, Poland was affected by actions which stand in total contradiction to the fundamental aims of the General Agreement and which cast a shadow on the very "raison d'être" of our debate.

A contracting party has resorted to the basic m.f.n. rule of the GATT, to misuse it as an instrument of political sanctions related to an exclusively domestic legal arrangement of my country. This unprecedented action, for which no legality can be found in the GATT, both in terms of substance and procedure, is potentially dangerous for the future of the GATT system.

We expect that the GATT Council will take a clear stand on this issue and will act on the draft decision submitted for its consideration.

We all know that the sour taste of frustration caused by economic diversities has become a daily experience of most, if not all, countries. That is why so many countries look to GATT for encouragement and support in our joint efforts to restore stability in international trade.

It is therefore most appropriate that this session attempts to set a programme of further action on such basic issues as safeguards, dispute settlement, agricultural trade, reduction of non-tariff measures, including in particular discriminatory quantitative restrictions and specific problems of developing countries.

Considering the magnitude and complexity of such problems I would find it imprudent for the GATT to venture into new areas before the unfinished business has been successfully dealt with.

While tackling those problems GATT must not lose sight of a global trade picture. The profound disallocations in the world economy have resulted in extensive disruptions of the international financial system. The problem is most pointedly exemplified by payments difficulties and the staggering and rapidly escalating indebtedness of a growing number of countries, irrespective of their economic system and level of development.

It is worthwhile to note that any unilateral external measures aggravating payments problems of an indebted country upset the whole system of interdependent world economy, creating dangers which cannot be isolated or limited to the country concerned.

It is true that my country's trade is depressed and will take some time to recover. It is equally true that such recovery is hampered by acute shortages of foreign exchange, which prevent us from using all available productive capacities.

We are determined, however, to restore our dynamic involvement in international trade and this we shall accomplish.

Such trade-oriented approach is built into the present, thorough economic reform, initiated early this year. It is based on the concept of a decentralized economic system in which exporters and industrial end-users of imported goods will enjoy a much expanded, direct access to foreign trade operations through decisions based on economic criteria of management.

In short, the present economic reform sets us on the right course towards improving the efficiency of the Polish economy and making it more responsive to conditions of international market. We expect that this will create prerequisites for an active trade policy, under which, improved export performance will allow us to sustain higher rates of imports.

However, this objective can be attained only when our exports will be treated on markets of all contracting parties on equal footing with exports of other countries, without discrimination, selective restrictions and other obstacles to trade applied for non-economic reasons.

Against this wider background, we attach a great importance to the outcome of this Ministerial session as we are profoundly convinced that it is imperative for the contracting parties to make all efforts possible to rebuild the necessary confidence, decrease instability and narrow the scope of uncertainty in international economic relations which is, as has been stressed here time and again, in the interest of all countries.

Before concluding, I should like to express our thanks to the Swiss Government and the GATT secretariat for the commendable efforts and excellent arrangements they made to create the best possible conditions for our debate.