

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(82)155
November 1982

CONTRACTING PARTIES
Thirty-Eighth Session
Ministerial Meeting
(24-27 November 1982)

Original: English

STATEMENT BY H.E. MR. HUGH DESMOND HOYTE,
VICE-PRESIDENT, ECONOMIC PLANNING AND FINANCE
OF CO-OPERATIVE REPUBLIC OF GUYANA

Understandably enough, there have been two dominant, but interwoven, themes recurring in the statements made at this meeting by ministers and other leaders of delegations: first a general concern at the inability of the GATT to preserve its integrity in the prevailing situation of world-wide economic crisis; and, second, a common desire that we should do something to shore up the GATT, arrest any further erosion of its principles, restore confidence in it as a system and reinforce its capacity to promote stable and equitable multilateral trading relations and the orderly expansion of world trade.

The World Bank President, Mr. Clausen, in his statement to this meeting on Wednesday, quite rightly observed that "liberal trade is a powerful engine for global growth" and that "expanding trade is crucial for Third World development". I would add, in passing, that expanding trade is also vital to the continued prosperity of the industrialized world. And yet, over the past decade or so, we have witnessed, on the one hand, the proliferation of protectionist trade policies contrary to the letter and the spirit of the GATT and, on the other hand, a steady decline in the annual growth rate of world trade. In 1981, that growth rate was zero in volume terms - and it is likely to be no better this year! - and, alarmingly enough, it was negative in value terms. In these circumstances, non-oil producing developing countries in particular can hardly be optimistic about their chances of stimulating growth through an expansion of their exports.

In fact, these countries are confronted with a dilemma. They look to multilateral financial agencies such as the World Bank to support their development efforts and, as a condition of such support, these agencies require them to adopt "appropriate economic policies". Not infrequently within recent times, one component of the required "appropriate policy" is the development of an "export oriented strategy". Now all of this is fine except that the harsh reality is that there is no guarantee that the products generated by any "export-oriented strategy" would in fact gain access to the various markets of the world - that they would not be excluded, or otherwise discriminated against, by the various, not to say insidious, procedures and measures which buttress the multiplicity of tariff and non-tariff barriers to liberal trade.

Protectionism has diverse and devious forms but, in whatever way it manifests itself, it has in general harmed the interests of developing countries without demonstrably advancing those of the countries adopting the protectionist policies. My delegation therefore shares the view of those speakers who have contended that protectionism should be halted and (to use the popular phrase) be rolled back.

Many speakers have referred to the need to restore confidence in the GATT. I agree that this must be a prime objective of this meeting. However, the crisis of confidence has arisen because the GATT lacks the mechanisms to act promptly and decisively in disputes among contracting parties about the application of its rules and principles. Moreover, it lacks the necessary authority to enforce its own rules. We have to address these two areas of deficiency with a strong political will and with a sense of urgency. If an aggrieved contracting party appeals to the GATT only to have its complaint drag on interminably and end in stalemate and if contracting parties assert the right to obey or disregard the rules whenever it suits their purpose, then it is not to be wondered at if the GATT's ability to discharge its mandate is called into question and confidence in its capacity to act - and even in its usefulness - begins to diminish. The GATT must be endowed with the authority and the mechanisms to enforce its rules solemnly subscribed to by the contracting parties and to resolve problems and disputes in an expeditious and decisive manner. Otherwise the problem of confidence will keep turning up again and again in the future to haunt us.

I now turn to the question of agricultural exports which was stressed by many speakers. I believe strongly that this is a matter to which we should give serious attention. I therefore support those speakers who have urged that trade in agricultural products should be given closer surveillance and be accorded treatment within the GATT similar to that given to industrial products.

In conclusion, I reaffirm my country's commitment to the principles of the GATT and pledge to support all initiatives to improve the multilateral trading system, in particular those aimed at containing the spread of protectionism and dismantling all barriers to trade that are inconsistent with the principles of the GATT.

In a matter of hours, we are going to begin the process of acceding to document C/W/403. It is possible that this ceremony can be a meaningless ritual. However, I do not think so. I believe that it will provide us with fresh inspiration and renewed energy to strive in a spirit of collective goodwill to advance the purposes of the GATT and, in a wider sense, improve world prospects for economic recovery, stability and growth.