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Statement by Mr. Janusz Kaczurba Deputy Minister of Foreign Economic Relations

We share the general assessment of the international economic and trade situation as presented in the opening remarks by the Chairman.

The trade performance in the past two years has not picked up, and in 1988, and most probably in 1989, only modest gains could be expected. We all see a mounting and irrefutable evidence of the inseparable linkage between trade, indebtedness and international financial and monetary arrangements. Such linkage exerts a growing and obvious impact on the form and substance of the operation of the GATT system.

At the outset of the Uruguay Round, we believed that the very fact of launching the Round should reduce the domestic pressures for protection and, consequently, that a more relaxed access to markets would permit world trade to expand. The events which followed proved that we were, perhaps, too optimistic about the implementation of standstill and rollback commitments. Once again we would like to underline that the strict and full adherence to the standstill and rollback commitments by all countries is the only way to reach the objectives embodied in the Punta del Este Declaration.

We are on the eve of the meeting of the Trade Negotiating Committee which, as visualized in Part I of the Punta del Este Declaration, should assess the progress in the negotiations as a whole including, if possible, the conclusion of agreements.

In the opinion of this delegation, the progress achieved so far during negotiations within the framework of the Uruguay Round is more than encouraging. During the last twenty months, we took stock of the proposals -- most of them were carefully examined and serious -- and substantive negotiations have begun. In some areas, just to mention dispute settlement and functioning of the GATT system, the process of negotiation has gone so far that agreement seems to be within reach.

Last year, during the forty-third session of the CONTRACTING PARTIES, we were engaged in discussions on the political advisability of the so-called "early harvest" during the mid-term review. Opinions were divided. Those against early agreements argued that it was too early to discuss this question and were of the opinion that early agreements are contrary to the commonly accepted idea that the Uruguay Round is a single undertaking.

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Now, the problem we face is no longer an academic question, because, in some areas, we have reached the point where differences between delegations involved are often tactical rather than substantial in nature. Therefore, early agreements are possible once political considerations prevail over tactical ones. Far from disturbing the balance so carefully drafted in the Punta del Este Declaration, they would boost our common confidence in the ultimate success of the Uruguay Round. Hence, my delegation favours an early harvest in the heart of winter in Montreal.