

GENERAL AGREEMENT ON TARIFFS AND TRADE

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The five-year period that ended in 1985 was characterized by a deep-rooted crisis which eased somewhat in the developed capitalist countries towards the end of the period, although one cannot speak of a recovery in the broad sense of the term. The crisis was serious and remains so. It cannot be concealed by handling figures in an arbitrary manner, nor by statements artificially tinged with optimistic forecasts.

This situation is nevertheless more serious for the developing countries which are faced, powerless, with rapid deterioration in prices of their export products. These countries are encountering unfair competition; they have to buy at high prices - when they can - the manufactures they need, and find closed doors to negotiations in multilateral organizations and in international conferences, by reason of policies that deny any fair co-operation and attitudes which disregard commitments previously taken.

This situation is not new, as we all know. For a number of years we have been caught in a vicious circle. The new elements in international relations are continual violations of the General Agreement, the increase in unlawful and discriminatory measures and breaches of discipline in trade matters. We are faced with a proliferation of bilateral agreements, and the application of protectionist measures which seem to be on the increase.

Clearly, the principal victims of this complex of arbitrary actions are the developing countries, which are harder hit than anyone by the increase in bank interest rates and fluctuations in exchange rates. Servicing of the huge external debt of the developing countries has become an insurmountable barrier to the economic development of those peoples which listen to the fairy tales of trade liberalization with justified indignation because they are experiencing day-to-day realities which refute the pompous statements made without any scruple. The fact is, however, that even if present policies were to be corrected and a serious effort made in good faith to achieve real liberalization of trade, the developing countries will not be able to enjoy the benefits of that liberalization unless at the same time a solution is found to the serious problem of foreign indebtedness, and unless the financial issue is taken up in a resolute manner, taking into account the universal interest.

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We are about to embark on new trade negotiations with the memory still fresh in our minds of non-compliance, absolute disregard of the commitments adopted and formally subscribed to by Ministers in 1982. If this in itself was not cause enough for concern, we might seem to be spending our time on a child's game to forget the past. But the facts are too recent to be able to bury them. At the very outset of the new negotiations, the industrial countries will have to show with concrete corrective measures that they are prepared to engage in a transparent exercise, and that they are really imbued with the will to act consistently with what they are declaring day by day on every rostrum -- most recently at Punta del Este -- by not introducing new discriminatory measures and by dismantling existing measures promptly and in precise terms.

For us, for example, and for millions of people in the developing world, the solution to the present crisis does not lie in peripheral measures or in partial relief. The remedy lies in certain international economic relations different from those existing today, in fair international co-operation, in an equitable order, in the suppression of measures of constraint, in the eradication of political pressures, in abandonment of the idea that might is right. The solution is in the roots and not in the branches. We say this because we have no illusions.

That is all we wish to say, though we know that our words may seem unusual and surprising for those who are benefiting exclusively from the present state of things.