

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CUBA: STATEMENT BY MR. ALBERTO BETANCOURT ROA, VICE-MINISTER  
OF FOREIGN TRADE, AT THE MEETING OF THE GATT  
CONTRACTING PARTIES AT MINISTERIAL LEVEL,  
15-19 SEPTEMBER 1986, PUNTA DEL ESTE,  
URUGUAY

It is a great pleasure for the delegation of Cuba, and for me personally, to be in the country of José Artigas and to enter into contact with its people, whose feelings of solidarity with the Cuban Revolution are one of the noblest and finest expressions of Bolivar's ideals of Latin American unity, which found their most exalted advocate in the exiled Cuban who at one time was proud to act as the Consular representative of Uruguay - José Martí.

Allow me to congratulate you on your selection to guide the work of this meeting, and to express our conviction that your abilities and experience will lead us to achieve the objectives we have set ourselves. I also wish to congratulate, through you, the other members of the Bureau and to wish them success in the task entrusted to them.

The year 1985 closed a five-year period which started with a profound crisis of the capitalist economy followed by fleeting and uneven signs of recovery which were reflected in a growth of trade stronger than that of world production only in 1984 and 1985.

An analysis of the figures for those last two years shows that in 1985 the rates of growth were slower than in 1984, and that international trade in particular reacted by a drop of 3 percentage points to the reduction of approximately 1 per cent in world gross domestic product.

The economic policy of cutbacks applied by the principal developed capitalist countries, and especially by the United States, has made the economic outlook unstable and uncertain, since the budget deficit of that country has reached dangerously intolerable proportions and its uncontrollability is having decisive effects on international trade and finance.

The developing countries, being victims of the injustices and inequalities of the present international economic order, suffered the worst effects of the crisis and their rates of growth slackened still more, becoming negative in the majority of cases.

The application of highly protectionist trade policies by the main developed capitalist countries, the deterioration of prices for the export products of the developing countries and the rise in the prices of the manufactures they import, along with higher interest rates and the fluctuations in the exchange rate of the dollar, have raised the external debt of the developing countries to the fantastic sum of a trillion United States dollars.

As a result of this, the possibilities of economic development in third-world countries have never been more remote nor their situation more serious.

The structural trend towards lower consumption of raw materials and energy per unit of finished product has been compounded by other factors dependent on the political will of the governments of the developed capitalist countries, such as dumping, tariff and non-tariff barriers, subsidies and other practices of unbridled trade warfare which mainly affect the countries of the third world but which are also reflected in relations among the developed countries.

The situation facing the developing countries as a result of the above trends and policies is illustrated by the case of our principal export product - sugar. Its price has fallen continuously to such low levels that even the most efficient producers are unable to cover their production costs. This is due to the following three factors in particular:

1. The self-seeking sugar strategy followed by the EEC since the 1970s under its Common Agriculture Policy, which has enabled it, by heavily subsidizing production, to transform itself from a net importer of sugar to a large-scale exporter.
2. The systematic contraction of the sugar market in the United States which, while keeping domestic subsidized production stable, has cut its net imports by more than half during the same period by means of duties and levies and by import quotas, which, as in the recent case of Nicaragua, are used as an instrument of political pressure.
3. Protectionist measures to promote the use of other sweeteners, which have been employed by some of the developed countries, particularly the United States and Japan.

In the midst of this acute crisis, strong pressure has been exerted for the CONTRACTING PARTIES to agree to a New Round of trade negotiations, presented as the magic formula for solving all our problems, particularly those crushing the developing contracting parties.

However, during the work of the Preparatory Committee, what became clear was the refusal to consider in depth, with the necessary objectives, the subjects that are of vital interest to the under-developed countries, some of which have been under negotiation since the Tokyo Round or were embodied as commitments in the 1982 Ministerial Declaration and in its Programme of Work, while subjects outside the competence of the GATT are given priority and are even used as conditions for participation in the future negotiations.

This situation raises the question of GATT's credibility as an organization working for the liberalization of international trade, as well as that of the rights conferred by the General Agreement on all the CONTRACTING PARTIES.

The pressures exerted by the United States during the preparatory process for this meeting reflect the provisions of the Trade and Tariff Act passed by that country at the end of 1984, which link the trade treatment extended by the United States to the policies followed by other countries with regard to such matters as United States investments, intellectual property and concessions in the services sector. In addition, the Act gives the Administration greater discretionary powers to impose economic sanctions in disregard and in violation of the rules of GATT established at the international level and of the free-trade practices the Administration claims to defend. Moreover, after twenty-four years of trade and economic blockade against Cuba, the United States has adopted new measures to strengthen it. One example is the Farm Act of 1985 which, in Section 902, paragraph (c), authorizes the President not to grant any cane or beet sugar import quota unless the authorities of the country concerned certify that it is not importing sugar produced in Cuba for re-export to the United States.

The trade blockade measures against Nicaragua and Libya also reflect these trends.

In the process in which we are now engaged to approve the launching of a new negotiating round, it must be asked what guarantees there will be for the international trading system when one of the countries most vigorously pushing for this New Round of trade negotiations usurps the right to violate the multilateral rules adopted whenever it suits its purposes. On the other hand, what guarantees will there be for the developing countries that the hypothetical benefits they might obtain will not be wiped out whenever the United States thinks it necessary to achieve its trade and political objectives.

It is strange that all the United States appeals for the liberalization of international trade are being made while it is applying policies that are in complete contradiction with them, being characterized by protectionism, discrimination and the use of force.

We are aware of the importance which this meeting may have if these problems are taken up seriously and equitably. This is why we have come here with the intention of collaborating actively in work conducive to the strengthening of the multilateral discipline of the GATT and to a genuine reactivation of international trade.

For this purpose it is necessary, first, that the consensus procedure, which has been used for more than thirty years in GATT for the adoption of its Decisions, and which has recently been impaired, should be revived as the practice in our work.

The New Round of trade negotiations proposed must be examined in the light of the harsh realities we are facing. We consider this a good opportunity for agreeing to commitments that will enhance the credibility of all the CONTRACTING PARTIES and promote a favourable climate for starting the negotiations.

Cuba's position in this process is basically described in document PREP.COM(86)W/41/Rev.1, for which we reaffirm our support.

In our view, the exercise before us should be directed towards the following objectives:

- reversal of the growing protectionism in the developed capitalist countries so as to guarantee greater and more stable access for the exports of the developing countries to the markets of the industrialized countries;
- improvement and strengthening of the multilateral trading system, which entails abolition of discriminatory and illegal trade measures and observance of multilateral disciplines;
- full implementation of the provisions on special and more favourable treatment for the developing countries in all areas of negotiations;
- linkage between possibilities of trade expansion and the fulfilment of the financial obligations assumed, so that any action in the area of trade policy takes into account the financial situation of developing countries with a view to promoting their growth and development;

- redressing of the asymmetry in the present international division of labour by eliminating the tendency to keep the developing countries solely as exporters of raw materials;
- consideration, as a priority subject, of trade in agricultural products, particularly tropical products, and adoption of specific measures to modify the present situation and to favour the access of developing countries to the markets of the developed countries.

We also place on record our concern at the pressures to include in the trade negotiations subjects that are not within the competence of the General Agreement, such as services, investments, intellectual property and the subject recently put forward by the United States delegation relating to workers' rights. In some cases there are specific and appropriate forums for these subjects where they are already being considered at the international level and in other cases they are not a priority for the developing countries and their inclusion in the GATT and linkage with trade in goods would have adverse implications for third-world countries. In a broader context they even constitute an attempt to guarantee the monopoly of high technology by the United States and a small group of developed countries and to increase the economic dependence of third-world countries.

We also consider that any decision that we may adopt at this meeting concerning these countries must guarantee that the industrialized countries do not demand concessions from developing countries in exchange for greater security of access for their exports of goods.

As regards participation in the Round of trade negotiations, if it is eventually convened, we believe that it should be open to all countries that apply to attend it. We therefore support the request by the Government of the Soviet Union concerning its participation in the New Round of trade negotiations. In this connection we consider that the CONTRACTING PARTIES should find an appropriate solution to make possible an affirmative response to that request.

Before concluding, may I draw the attention of this meeting to the climate of tension that characterizes the present international situation, the heavy military expenditures, and the unrestrained arms race that threatens to transform outer space into a minefield.

The calm, firm and constructive views of the Heads of State or Government of the Non-Aligned Countries, who met recently at Harare, Zimbabwe, are an element which this meeting must take into account in its declarations, both economic and political. We support the appeal of the non-aligned countries that the illegal racist régime of South Africa should be excluded from the negotiating round and from the benefits of its possible results.

The Cuban delegation will work for the achievement of agreements that further the interests of the majority of contracting parties, in a constructive manner, as is called for by the present international economic situation.