

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES  
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MINISTER OF FOREIGN TRADE OF NICARAGUA

It is my privilege to address this Ministerial meeting after having heard the statements of more than sixty-three distinguished representatives of the CONTRACTING PARTIES to the General Agreement which have come to this podium in the last two days.

Certainly, there have been realistic and striking, constructive and conciliatory statements of position, which have provoked analysis and outcry from the developing countries and from the developed countries expressions of concern and interpretations regarding the present crisis.

The truth is that we have converged by saying that we are experiencing times which are certainly distressing, when more than ever we must seek new, creative solutions. The solution cannot be a world living in autarchy or anarchy; it is our historic duty as representatives of our Governments to reconcile responses in a world of deep contradictions, for it is between the extremes that the peace and survival of our peoples lie.

The rendezvous we are having today as contracting parties must demonstrate the creativity of man. There can be no blackmailing by the big and strong into positions which are contrary to the elementary and just principles of the weak.

The weak cannot be asked to make unilateral concessions if the big and strong are not the first to show the way. We are going through a deep crisis, which itself is within a crisis of confidence, and there lies the tragedy.

There is a lack of confidence that the contracting parties are equally fulfilling already existing commitments.

There is a lack of confidence because the GATT mechanisms designed to protect the rights and interests of all the contracting parties have not been used.

There is a lack of confidence over the fact that, upon the resumption of discussions which have taken long and tedious months to prepare, the already weak positions emerging from that effort are not only further weakened, but the wide gap is further widened between the positions of the

economically strong countries and those of the weak countries, which as a matter of course have been the most affected by the crisis, with manifestations of profound structural imbalances that can hardly be corrected by half-measures.

The intense interdependence of factors in the present crisis requires global political commitments. It is not possible to go on thinking that economic recovery will automatically come when the trading problem of the strong countries is solved. The financial aspects of indebtedness have as much or more weight than the purely trading aspects, and therefore it is imperative not to create myths but to concentrate discussion on the urgency of resolutely supporting analysis of, and interacting responses to, the elements which make up the crisis.

We developing countries have been important contributors to the trade expansion of the strong parties, and consequently it is equally necessary for world economic recovery to deal with the problems of the weak parties. The indebtedness which is burdening the trading capacities of our countries should have equal priority with liberalization of trade.

There cannot be recovery in trade unless at the same time there is greater ability to pay, and the developing countries, which are important importers, do not have it. The little resources generated in a situation of deterioration of the terms of trade of these countries go to pay debts previously contracted. The circuit of trade and payments is now a closed one. The time has come to think, along with the strengthening of GATT, in terms of a response that would relieve by concrete measures the oppressing condition of the debt burden of our countries.

Since developing countries are highly dependent on agriculture, we cannot agree that the vulnerability to which trade in that sector is subject is not being studied in GATT when it is established that preferential treatment for these countries is important.

My Government believes that unity of action develops under mutually agreed principles, and does so, above all, when there is the determination to carry them forward. One such principle is recognition of the inequality existing between the various levels of economic development of countries. A correct interpretation of that principle will make participation in GATT dynamic and effective. There would be nothing left for the developing countries to do unless, from now on, substantive changes are undertaken and implemented to address the trading needs of these countries, beginning with effective application of the provisions of Part IV of the General Agreement.

We believe in the need to construct and not to recriminate, but for that are required not only fine words but also concrete, sound and thorough-going action reflecting the political will to reaffirm the authority of GATT as an instrument of guidance towards the development of a more equitable world trading system that maintains conditions of stability and preserves peace.

As long as that is not attained, the developing countries cannot be asked to accept blindly risking their internal stability by handing out blank cheques to the powerful countries, especially as attitudes violating previously reached agreements have become the rule rather than the exception. Every day we feel the effects of the tariff and non-tariff barriers imposed by the developed countries against our exports.

Developing countries cannot be asked to trust those who call themselves defenders of free trade when they see the experience of Nicaragua, a Contracting Party to the General Agreement, which is subjected to pressure not only by restrictive but also by coercive measures imposed by another Contracting Party, when all that has happened is that the brave people of our small country has decided to construct a model of political, economic and social development based on the principle of self-determination and mutual respect. Nicaragua is building a mixed economy domestically while externally it is developing a policy of trading with all countries.

Our country's trade has been affected in the past year not only by the international economic crisis that has afflicted the developing world but also by threats of confrontation instigated against our people by those who can see conflicts solely through the prism of the East-West contradiction.

In view of this, Nicaragua has responded by seeking to strengthen the structure of regional trade in sponsoring dialogues aimed at maintaining Central-American unity, and has proposed peaceful solutions for the conflicts in the area, reiterating its commitment to integration and stressing the importance of regional trade as an instrument for peace.

We are worried by protectionism. We believe, however, that a political declaration rejecting it is not enough and that equally important is a declaration which includes the understanding that trade problems, and protectionism in particular, cannot be separated from a global discussion of the world economic system. If we act in any other way, we will have established an unacceptable asymmetry between the diagnosis of the problem and the responses we give thereto.

We reject blackmail as a means of pressure by the strong to impose positions.

We call for the beginning of an effort to win back the confidence so needed to cope with the present crisis, by making better use of existing institutions, scrupulously observing their rules, bearing in mind the interests of the weak, which implies equitable and proportional distribution of sacrifices, not engaging in wider discussions that weaken undertakings already entered into, and committing ourselves to maintaining the institutionality of international trade for the purpose of preserving it as an instrument for the peace and wellbeing of the peoples.