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DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION:  
TRADE AND DEVELOPMENT

Adoption and effects of economic measures taken by  
developed countries as a means of political and  
economic coercion against developing countries  
(resolution 38/197 of 20 December 1983)

Report of the Secretary-General

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## I. INTRODUCTION

1. The present report has been prepared in response to General Assembly resolution 38/197 of 20 December 1983, in which the Assembly recognized that some developed countries were resorting more and more frequently to threats or the application of coercive and restrictive measures of increasing scope as an instrument for exerting political pressure on some developing countries, which have a negative effect on the economies of these countries and their development efforts.
2. In that resolution, the General Assembly deplored the adoption by certain developed countries, taking advantage of their predominant position in the international economy, of economic measures to exert coercion on the sovereign decisions of developing countries, and urged those developed countries to refrain from adopting measures aimed at exerting coercion or pressure in order to interfere in the exercise of the sovereign rights of the developing countries. The resolution also reaffirmed that developed countries should refrain from threatening or applying trade restrictions, blockades, embargoes and other economic sanctions, incompatible with the provisions of the Charter of the United Nations and in violation of undertakings contracted multilaterally or bilaterally, against developing countries as a form of political and economic coercion which affects their economic, political and social development.
3. The Assembly requested the Secretary-General to compile information provided by Governments on the adoption and effects of the above-mentioned economic measures taken by developed countries as a means of political and economic coercion against developing countries and to submit that information to the General Assembly for consideration at its thirty-ninth session. At the same time, the resolution appealed to Governments to provide the necessary information to the Secretary-General.
4. Taking into account the expertise and experience of the United Nations Conference on Trade and Development, the Secretary-General decided to assign primary responsibility for implementation of General Assembly resolution 38/197 to the UNCTAD secretariat, which has prepared the present report.
5. In pursuance of the request of the General Assembly, on 3 May 1984 the Secretary-General of UNCTAD addressed a note verbale to the Governments of all States members of UNCTAD inviting them, on behalf of the Secretary-General of the United Nations, to provide him with information on the adoption and effects of the economic measures mentioned in resolution 38/197 taken by developed countries as a means of political and economic coercion against developing countries. At the time of the preparation of the present report, replies were received from the following 24 States: Afghanistan, Belize, Benin, Bulgaria, Byelorussian Soviet Socialist Republic, Cuba, Cyprus, Czechoslovakia, Democratic People's Republic of Korea, Ecuador, German Democratic Republic, Guatemala, Hungary, Madagascar, Nicaragua, Nigeria, Poland, Senegal, Switzerland, Thailand, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Viet Nam and Zimbabwe. The text of the replies is reproduced in the annex to the present report. Additional replies will be published in addenda to the present report.

## II. SUMMARY OF REPLIES RECEIVED FROM STATES

6. Most Governments in their replies strongly condemned the policy of applying economic measures as a means of political and economic coercion or as an instrument of interference in the internal affairs of sovereign states. They considered these measures as incompatible with the provisions of the Charter of the United Nations, the Declaration and the Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States, and the principles and rules of the General Agreement on Tariffs and Trade. These Governments emphasized that such measures and actions contravened generally recognized principles and norms of international law, and impeded the creation of favourable conditions for the development of mutually advantageous and equal co-operation among States and the establishment of a climate of confidence throughout the system of international relations.

7. Many Governments also reiterated their support for General Assembly resolution 38/197, as well as of UNCTAD resolution 152 (VI) entitled "Rejection of coercive economic measures", regarding them as the basic documents in the field of elimination of the negative consequences of coercive measures applied to the developing countries.

8. The Governments of the socialist countries of Eastern Europe pointed out that their position on this question is reflected not only in their replies but also in the joint statement of socialist countries at the thirty-eighth session of the General Assembly (A/C.2/38/8), in their communications on implementation of the provisions of the Charter of Economic Rights and Duties of States, in their replies to the note verbale of the Secretary-General of the United Nations concerning General Assembly resolution 38/196 on "Confidence-building in international economic relations" and in other documents. In their replies these countries stated that discriminatory economic sanctions and other kinds of coercive measures were being imposed with political motives by some developed countries or their groupings against both developing and socialist countries. In this connection, they indicated that attempts were being made to use for the purpose of economic pressure such machinery as the Co-ordinating Committee for Export to Communist Areas.

9. Some countries in their replies stated that they did not apply economic measures capable of exerting political and economic pressure on other countries. Others indicated that they had no comments on the contents of the resolution and had no information to submit on the application of coercive measures.

10. Many Governments were of the view that in recent years the range of instruments and means of economic coercion had been constantly expanding. They considered it essential to stress that in certain developed countries these actions had been raised to the level of State policy.

11. In general, the replies addressed two types of interrelated measures:

(a) Economic coercive measures of a discriminatory or restrictive character, designed to impede or prevent the access of developing countries to the markets of the developed market-economy countries;

(b) Coercive and restrictive measures of increasing scope which are resorted to by some countries as an instrument for exerting political and economic pressure aimed at influencing the sovereign decision-making process of countries against whom they were directed.

In some replies, it was indicated that coercive economic and political measures were usually applied whenever attempts were being made to destabilize the internal situation in a particular country, with the purpose of enforcing policies that would ensure the inviolability of the political and economic positions of foreign capital, create obstacles to progressive socio-economic changes, and facilitate the maintenance of peoples in process of liberation within the orbit of foreign economic dependency.

12. As mentioned in the information submitted, the first group of measures consists of the broad range of trade restrictions, namely quantitative restrictions, restrictions based on minimum prices, overall and bilateral quotas, prohibition of imports of certain goods, non-tariff barriers, etc. The range of coercive measures applied in addition to those of a protectionist nature includes a large number of further restrictive measures, such as trade embargoes and other sanctions, financial boycotts, economic blockades, the severance of co-operation in economic, scientific and technical fields, the unilateral denunciation of valid agreements and treaties, destruction of freedom of navigation by the mining of harbours, using food supply as a political weapon, restricting technological transfer and credits, using foreign aid for achieving global strategic aims, etc.

13. Some Governments in their replies stressed the harmful consequences of the application of coercive measures both for international economic relations and for the social and economic development of developing countries. The Government of one socialist country of Eastern Europe emphasized in its reply that politically the use of such measures would lead to a further deterioration in the international climate and, in the final analysis, create a threat to general peace and security and undermine the role of international economic relations in strengthening peace and trust. It further stated that, economically, the use of such measures slowed down international efforts in the field of economic development and co-operation and had most destructive consequences for developing countries, since it impinged on their national sovereignty, hindered efforts to make more effective use of their natural resources in the promotion of social and economic progress, and adversely affected the living conditions of the working masses.

14. Some Governments in their replies made efforts to evaluate the detrimental effect of the coercive measures to the welfare of the developing countries.

15. Some Governments made suggestions as to those measures that were required for complete implementation of resolution 38/197, and identified the specific fields where it would be advisable to undertake some additional measures. It was stated that the international community should take firmer measures to ensure that the practice of economic coercion in any form should be made illegal. In this connection, it was stated that the analysis of the practice of unlawful sanctions and the drafting of recommendations on its suppression should form one component of a research project by the United Nations Secretariat concerning problems of

international economic relations, and should be included in all the Secretariat's work on the implementation of General Assembly resolutions on the equitable restructuring of international relations, confidence-building and overcoming negative trends in these relations. The Government of one socialist country of Eastern Europe expressed its conviction that among United Nations organizations UNCTAD should focus more prominently on and pay increased attention to adopting effective measures to ensure that the principles and rules of international economic exchanges are observed in letter and spirit by all States. One developing country expressed its support for the idea that the problem of the application of coercive measures to the developing countries should be kept under review every year.

16. In sum, the replies so far received from Governments clearly reflect the view that resolution 38/197 still remains largely unimplemented. In this connection, some Governments made several suggestions for its full implementation, which could be studied in the process of any further work.

17. The majority of the replies conveyed the view that the United Nations should continue to play the major role in studying and compiling information provided by Governments on the adoption and effects of coercive measures. At the same time, the United Nations also had to keep its leading position in the elaboration of appropriate measures aimed at the urgent elimination of any means of political and economic coercion from international economic relations as a vital prerequisite for restoration of a climate of peaceful co-operation among States, as well as for acceleration of the pace of development in the developing countries.

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Replies received from States

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AFGHANISTAN

[Original: English]

[26 June 1984]

1. The Democratic Republic of Afghanistan is of the opinion that, in accordance with article 32 of the Charter of Economic Rights and Duties of States, "no State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights".
2. Being one of the sponsors of resolution 38/197 entitled "Economic measures as a means of political and economic coercion against developing countries", adopted by the General Assembly at its thirty-eighth session, Afghanistan is of the firm belief that the adoption of the resolutions, notwithstanding the opposition by a number of developed capitalist countries, will create a new atmosphere in international economic relations which should meet the interests of all countries, particularly of the developing countries, Afghanistan among them.
3. Despite all the above-mentioned resolutions realistically adopted by the United Nations and its specialized agencies, the developed capitalist States have not renounced their protectionist and discriminatory policy against developing countries and continue to violate the said resolutions, to use economic measures as a means of political and economic coercion against sovereign States.
4. Moreover, the capitalist world, headed by United States imperialism, is exerting every pressure on specialized agencies of the United Nations and international financial and economic organizations in order to attain its political ends. This is exemplified by the recent hostile position taken by a number of Western countries, the United States of America at the head, against the country programme of the Democratic Republic of Afghanistan presented to the thirty-first session of the Governing Council of the United Nations Development Programme held during this month at Geneva. By vehemently opposing the approval of the assistance programme for Afghanistan, the United States of America and its allies are flagrantly violating not only the procedural norms of UNDP, but also General Assembly resolution 38/197.
5. Afghanistan, as a loyal Member of the United Nations and its related organs as well as of the World Bank, the International Monetary Fund and the Asian Development Bank, is actively participating in their activities. Regrettably, however, as a result of various pressures being exerted by the United States Administration on international financial organizations, a number of our development projects are confronted with increasing financial barriers, which is in turn at variance with the Charter of the United Nations and General Assembly resolution 38/197.
6. The embargo on Ariana Afghan Airlines commercial flights to a number of Western countries, which was imposed by the Heads of State of seven industrial capitalist countries in violation of the agreements between Ariana Afghan Airlines and its western counterparts, is nothing but a political and economic pressure and coercion.

7. Expressing its full support for the efforts being made by the Secretary-General with regard to the adoption of the General Assembly resolution 38/197, Afghanistan requests the Secretary-General to adopt all-round measures aimed at the implementation of the resolution, at giving appropriate advice to all Member States, particularly those countries which, in accordance with paragraph 3 of the resolution, are requested to "refrain from threatening or applying trade restrictions, blockades, embargoes and other economic sanctions incompatible with the provisions of the Charter of the United Nations, and in violation of undertakings contracted multilaterally or bilaterally, against developing countries as a form of political and economic coercion which affects their economic, political and social development".

8. In our view, the approval by the United Nations of effective measures aimed at preventing the application of illegal actions of blackmail, boycott, embargo and other forms of political and economic pressures against sovereign States would play an important role in the defence of economic and political interests of newly-freed countries, and of their sovereignty, and in helping to improve international economic relations.

9. It is the conviction of the Democratic Republic of Afghanistan that the implementation of the resolution under review would create favourable conditions for economic co-operation, mutual understanding and respect between all countries, irrespective of their socio-economic systems, and would eventually result in the strengthening of peace and security the world over.

BELIZE

[Original: English]

[5 June 1984]

The Government of Belize has no comment on the contents of that resolution.

BENIN

[Original: French]

[30 July 1984]

1. The People's Republic of Benin is not directly a victim of the coercive economic measures used by some developed countries to exert political or economic pressure on developing nations. Such practices are, however, commonly used against certain countries whose political choices are not to the liking of certain Powers.

2. Benin accordingly declares that such measures of political and economic coercion, which are not such as to promote the economic development of the developing nations, are inconsistent with the provisions of the Charter of the United Nations. The blockades or embargoes used against countries, such as Cuba and Nicaragua, are examples deserving of censure.



3. In consequence, Benin earnestly hopes that such coercive measures as blockade, embargoes and other economic sanctions applied by the developed countries as means of pressure against developing countries should be completely eliminated without delay and banned from bilateral and multinational relations.

BULGARIA

[Original: French]

[19 July 1984]

1. The People's Republic of Bulgaria has never threatened to apply, nor has it applied, trade restrictions, blockades, embargoes or other economic sanctions against other countries as a means of political and economic coercion.
2. Indeed, Bulgaria has continuously and actively implemented a policy aimed at exposing and condemning every attempt on the part of countries and forces to make use of various economic measures as a means of political and economic pressure.
3. In its future participation in the work of the international organizations and United Nations organs, Bulgaria will maintain this deliberate aim, based on its long-term position of principle.

BYELORUSSIAN SOVIET SOCIALIST REPUBLIC

[Original: Russian]

[8 June 1984]

1. The Byelorussian SSR attaches great importance to efforts of the international community to normalize the situation in the world economy, establish and strengthen confidence in international economic relations and develop mutually advantageous co-operation on an equal footing among all peoples.
2. In the context of solving important worldwide political problems connected with saving mankind from nuclear catastrophe, the relaxation of international tension, the limitation of the arms race and the reallocation to development purposes of the resources thereby released, the question of the inadmissibility of the application of unlawful economic sanctions, blackmail and threats by imperialist circles as a means of political pressure on developing and socialist countries assumes special significance.
3. Rehabilitation of the entire system of international economic relations and achievement of the legitimate demands of developing countries regarding the restructuring of those relations on a just, equal and democratic basis are directly dependent on observance of the fundamental norms and principles of international economic intercourse enshrined in the Charter of the United Nations, the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations, the Charter of Economic Rights and Duties of States, the Declaration and the Programme

of Action on the Establishment of a New International Economic Order and the Helsinki Final Act.

4. Being committed to the principles laid down in those documents, the Byelorussian SSR is firmly convinced that use of the unlawful practice of coercive economic measures leads to further heightening of international tension and of the arms race already experiencing unprecedented escalation, and transforms international economic relations into a means of pressure and confrontation. Such measures have a negative effect on the development of all-round economic co-operation and are accompanied by intensified efforts of developed capitalist States to exploit the growing difficulties of developing countries for interfering in their internal affairs, undermining their independent economic and social development, subverting the public sector, imposing conditions to ensure freedom of action for transnational corporations, and reversing the process of their economic decolonization.
5. The policies of the reactionary forces of imperialism, consisting of the application of sanctions and threats and of unwillingness to abandon their privileged positions in the world capitalist economy, are leading to the disorganization of international economic relations and are hampering emergence from economic crisis of the developing countries, for many of whom their situation has become even more critical. This has resulted, in particular, from the recently growing range of forms of economic pressure, including the practice of aggressive protectionism, maintenance of a policy of high interest rates, deterioration of the terms of trade and the extraction of colossal financial and physical resources from the developing countries.
6. In respect of a number of progressive-minded countries, imperialism often has recourse to economic blockade, destruction of freedom of navigation by the mining of harbours, unilateral denunciation of valid agreements and treaties, and termination of co-operation on economic and science and technology questions. Coercive economic and political measures are always applied whenever efforts are being made to destabilize the internal situation in a particular country with the aim of imposing political policies that would ensure the inviolability of the political and economic positions of foreign capital, create obstacles to progressive socio-economic changes and facilitate the maintenance of peoples in process of liberation within the orbit of foreign economic dependency.
7. By participating through the Union of Soviet Socialist Republics and external economic organizations in mutually advantageous co-operation with developing countries on an equal footing, the Byelorussian SSR strongly supports the economic advancement of the countries of Asia, Africa and Latin America. It contributes to the solution of problems of industrial and agricultural development and of the training of cadres in developing countries.
8. The Byelorussian SSR consistently advocates the expansion of all-round businesslike co-operation among all States on the principles of equality and mutual advantage, and the strengthening of confidence in international economic relations. Basing itself on its position of principle, it extends political support in the United Nations to developing countries in their struggle for the

restructuring of international economic relations on a democratic and just basis, for elimination of diktat, blackmail and threats from the sphere of international economic relations, for observance of generally recognized international trading norms and rules.

9. The Byelorussian SSR approves of efforts in United Nations and UNCTAD activities to bring about co-operation on an equal footing between all States. It supported General Assembly resolution 38/196 on confidence-building measures and international economic relations, and General Assembly resolution 38/197 and the similar UNCTAD resolution 152 (VI), which denounced the application of coercive economic measures in international economic relations as completely contrary to the United Nations Charter and the generally accepted norms of international law. The Byelorussian SSR also urges support for a number of other UNCTAD decisions, calling for observance of such important fundamental principles of international trade as the most-favoured-nation clause and non-discrimination, and the principle of non-reciprocal and non-discriminatory preferences in favour of developing countries.

10. The position of the Byelorussian SSR in this regard was set forth in the joint statement of the countries of the socialist community (A/C.2/38/8) at the thirty-eighth session of the General Assembly in connection with the agenda item on development and international economic co-operation.

11. The Byelorussian SSR will continue to strive for speedy elimination of the imperialist practice of economic aggression, diktat, trade restrictions, blockade, embargo and other economic sanctions from the sphere of international economic relations.

CUBA

[Original: Spanish]

[29 June 1984]

1. Pursuant to the request contained in General Assembly resolution 38/197, information on the coercive economic measures employed by the United States of America against the Republic of Cuba is given below.

Coercive economic measures of a commercial nature

2. Measures of a commercial nature may be classified as follows:

- (a) The reduction and subsequent suspension of Cuba's sugar quota;
- (b) The economic blockade banning trade in both directions between the United States and Cuba;
- (c) Unilateral cancellation of the most-favoured-nation and preferential treatment which the two countries had been granting each other, in violation of the General Agreement on Tariffs and Trade (GATT);

/...

(d) The limitations in force on trade with United States subsidiaries located in third countries;

(e) The provisions of the Trade Act of 1974 which affects Cuba as regards the restoration of most-favoured-nation treatment and its inclusion in the United States generalized system of preferences;

(f) The pressures that have been exerted on other countries not to trade with Cuba;

(g) The ban on imports from third countries of goods containing products of Cuban origin.

3. The first measures applied affected the mainstay of the Cuban economy, the sugar industry. On 6 July 1960, the President of the United States of America reduced the Cuban sugar quota on United States markets by 700,000 tons. In December of the same year, the entire Cuban quota was suspended for the first three months of 1961, a suspension which was successively renewed until it became permanent.

4. In addition, in October 1960, a trade embargo was imposed on the export of United States spare parts to Cuba.

5. In the same period, the supply of fuel which United States transnational corporations processed and marketed in Cuba was discontinued and these companies subsequently refused to refine oil coming from the Soviet Union.

6. In February 1962, by Presidential Proclamation 3447, the Government of the United States instituted a total embargo on trade between the two countries.

7. Foodstuffs and medicines, while nominally exempted, in practice were subject to the embargo.

8. The Proclamation contained three provisions:

First, it proclaimed an embargo on trade between the United States and Cuba;

Secondly, it prohibited the importation into the United States of goods of Cuban origin and all goods imported from or through Cuba, and authorized and directed the Secretary of the Treasury to carry out such prohibition, to make such exceptions thereto, by license or otherwise, as he deemed appropriate;

Thirdly, it directed the Secretary of Commerce, under the provisions of the Export Control Act of 1949 (50 U.S.C. App. 2021-2032), to continue to carry out the prohibition of all exports from the United States to Cuba and authorized him to continue, make, modify or revoke exceptions from such prohibition.

9. Furthermore, the most-favoured-nation treatment and preferential treatment were unilaterally revoked by the United States under section 401 of the Tariff Act of 1962 and by the implementation of section 5 of the Trade Agreement Extension Act of 1951, subsequently replaced by section 231 of the Trade Expansion Act of 1962.

10. Furthermore, section 620 of the Foreign Assistance Act of 1961 stipulates that no assistance shall be furnished to the Government of Cuba; nor shall any such assistance be furnished to any country which furnishes assistance to it, unless the President of the United States determines that such assistance is in the national interest of the United States; no assistance and no quota authorizing the importation of Cuban sugar into the United States nor any other concession under United States law will be granted to any Government of Cuba until the President determines that that Government has taken appropriate steps to return to the United States citizens or entities property which has been nationalized or pay equitable compensation. Similar language is used in section 2370 of title 20, "Foreign relations and trade", of the United States Commercial Code.

11. In 1963, the Cuban Assets Control Regulations (CFR, title 31, part 515) were approved. These regulations established the régime applicable to all commercial and financial transactions involving Cuba, on the basis of a strict control which covers all aspects of possible relations between the two countries. These regulations were modeled on section 5 of the Trading with the Enemy Act of 1917, which prohibited United States citizens from trading directly or indirectly with countries regarded as enemies. The regulations provide, inter alia, for freezing the latter's assets (Executive Order 8389, of 10 April 1940).

12. The Export Administration Act of 1979 (P.L. 96-72, 93, Stat. 503, Set. 29, 1979), which replaced the Export Administration Act of 1969 and the Export Control Act of 1949, provides for control over United States exports.

13. To export or re-export goods and technical data of United States origin a valid licence is required from the Department of Commerce, and it is the policy of that Department to reject all applications for licences for Cuba, in accordance with the Export Control Regulations.

14. According to the Export Administration Act, for the purposes of United States' exports, countries are classified into seven groups: S, T, V, W, X, Y and Z. Cuba is included in the list of group Z countries, to which exports are permitted only for humanitarian purposes (15 CFR 385.1).

15. In 1974, in spite of the fact that most-favoured-nation status had been withdrawn by the legislation previously mentioned, in section 401 of the Trade Act of that year, most-favoured-nation status was again withheld from any country that, like Cuba, did not enjoy it when the Act was promulgated.

16. The provisions governing this status and its inclusion in the generalized system of preferences are contained in Titles IV and V of the Act under sections 401, 402, 403, 404, 405, 407, 409 and 502, which in the case of the socialist countries set out conditions of a political nature, for example:

If the President of the United States determines that:

The country restricts, or imposes excessive financial levies on free immigration or on its citizens who desire, by emigration, to be reunited with close relatives living in the United States;

The country concerned is a Contracting Party of GATT, and a member of the International Monetary Fund;

The country concerned is not controlled by international communism;

If the country has expropriated property owned by any United States citizen or corporation not less than 50 per cent owned by United States citizens.

17. The Trade Agreements Act of 1979 provided institutional continuity to the measures previously set out in the Trade Act of 1974, by introducing no modifications to their nature or scope.

18. Although, since August 1975, United States subsidiaries in third countries have been permitted to trade with Cuba, such trade has been subject to obtaining an export licence from the Department of Commerce. According to the amendment, the Department of Commerce, on the basis of a case-by-case assessment, will consider favourably the granting of an export licence for a product manufactured in a third country when the United States component, in a non-strategic product, does not exceed 20 per cent of the total export value.

19. Another factor which has influenced trade has been the pressure that the United States has exerted, and is still exerting, on other countries not to trade with Cuba.

20. The extent of the embargo policy has frequently gone beyond the frontier between the United States and Cuba and the strictly economic sphere. For example, at the end of 1980, the United States Department of the Treasury prohibited the import of special steels manufactured by the French company Creusot-Loire on the grounds that the firm used Cuban nickel in their manufacture, citing in support of the ban the provisions of the Cuban Assets Control Regulations. Later on, with the spread of a vector-borne epidemic, Cuban efforts to buy, on the Latin American market, the chemicals required to eradicate it, were disrupted by the action of United States transnational corporations distributing the product or owning the patent. Cuba was obliged to import malathion from Europe, with high additional transport costs, which made it three-and-a-half times as expensive. The action, besides putting a great number of human lives at risk and involving Cuba in considerable expenditure, interfered with and prevented a trade transaction between two Latin American countries.

21. It should also be added that this United States policy towards Cuba has been extended to Cuba's participation in joint multilateral activities conducted by the Latin American Economic System (SELA), with the so-called "economic embargo" being applied to displays of Cuban handicrafts in handicraft fairs held in San Francisco, New York and Seattle in February 1981, in which the SELA Action Committee for the Promotion and Marketing of Handicraft Products participated.

22. The Action Committee, at its seventh meeting, held in July 1981 at Tegucigalpa, Honduras, agreed to bring the case before the Permanent Secretary of SELA and stated:

"The Committee hereby presents this proposal to you and deems it its duty to state that acts of this type seriously impede joint regional action in accordance with the lofty principles of the treaty setting up SELA. The Committee urges that a statement should be issued at the level of the Latin American Council which would satisfy the justifiable indignation felt by the handicraft sector of the sister nation of Cuba."

23. Unilateral and sudden attacks on a dependent economy like that of Cuba necessitated a considerable readjustment of the productive structure, consumption and services to different types of technology, equipment, raw materials and consumer goods from other countries, in many cases acquired as a matter of emergency, all of which causes enormous economic and social damage.

Coercive economic measures of a financial nature

24. To the series of measures of a commercial character are added those of a financial nature limiting monetary and credit relations, which can be classified into four basic groups:

1. The ban on using the United States dollar in financial transactions of any nature;
2. The ban on receiving financing from the United States or from bodies located in that country;
3. The ban on conducting transactions with banks and financial institutions located in the United States;
4. Political and economic pressures exerted by the United States Government on organizations and institutions in the monetary, credit and financial fields.

25. These hostile measures are set out in the Cuban Assets Control Regulations, already mentioned. a/

26. The transactions prohibited by these regulations can be conducted only as specifically authorized by the Secretary of the Treasury or any person or agency designated by him.

27. At the same time, nationals of the United States were prohibited from becoming involved in financial transactions in which Cuba or Cuban nationals were participating. This regulation of the United States Government affects the assets of individual Cubans in the United States, which were blocked.

28. A basic factor was the already mentioned prohibition on Cuba using the United States dollar in financial transactions of any nature. If this was not observed, the property of Cuba or the customers of Cuban entities was liable to be blocked. b/

29. In order to avoid the consequences of the Act and protect the interests of those who maintained relations with our country, Cuba was obliged to cease conducting transactions in United States dollars.
30. This caused a serious upheaval. Since 1902, financial transactions relating to foreign trade had been conducted mainly by the major foreign banks, with a predominant role being played by United States banks, which conducted their international operations through their branches in the United States. The relationship between the head office and the Cuban subsidiaries simplified banking operations. This dependence increased owing to the almost exclusive use of the dollar in Cuban international transactions. Cuban banks held almost all their foreign currency funds in United States dollars in the United States, a fact which indicated the predominant role of United States capital in the main economic activities of Cuba.
31. All these factors made the conduct of Cuban banking more difficult and expensive because, with the introduction of the earliest restrictive measures it was forced to embark on operations in currencies other than the United States dollar.
32. In addition, the Regulations restricted the flow of credits and payments between individuals and entities, both Cuban and foreign, and Cuba, thus reinforcing the suffocating effect of the measures. c/
33. Prior to the enactment of the 1977 amendments to the Regulations, the Department of the Treasury had authorized certain subsidiaries located outside the United States to trade with Cuba; this authorization was granted under pressure from the Governments of the countries where the subsidiaries were located, and trade was subject to conditions as regards financing, the prohibition on the involvement of United States dollar accounts being maintained.
34. Another permanent effect has been that transactions cannot be conducted with banks and financial bodies located in the United States.
35. Furthermore, according to the United States Department of Commerce, credits and guarantees by the Export-Import Bank (EXIMBANK) and by the Commodity Credit Corporation, may be granted to Cuba only if the President of the United States considers that such action is in the interests of the United States and that Cuba is complying with the provisions of the Trade Act of 1974 d/ regarding various aspects of emigration policy.
36. This means that the United States Government arrogates to itself the right to approve or condemn the emigration policies of third countries and, according to its "verdict", to punish or not the country "on trial".
37. The Johnson Act prohibited United States citizens from making loans to Cuba or purchasing bonds issued by Cuba. In international institutions, United States directors cannot vote in favour of multilateral assistance to Cuba. e/



38. Furthermore, the Agricultural Trade Development and Assistance Act of 1954, as amended in 1970, f/ stipulates that Cuba will not be eligible to purchase agricultural commodities through credits from the Commodity Credit Corporation, in dollars or other currencies.

39. Similarly, Cuba will not fulfil eligibly the requirements set out in the Trade Act of 1974, as amended by the Trade Agreements Act, for financing from the EXIMBANK.

40. Finally, the provisions of the International Development and Food Assistance Act of 1977 g/ prohibit the use of funds under that Act for assistance to Cuba while the ban on economic aid and food aid or sales remains in force.

41. The combination of discriminatory measures against Cuba in the financial and monetary field constitutes a brutal attack which has inflicted considerable damage on the Cuban economy. The ban on the use of the United States dollar makes access to the major sources of funds in the international capital markets difficult by obliging Cuba to operate in other currencies, a factor which impedes the development of Cuba's international economic relations, especially in trade.

42. The ban on access to United States banks and the boycott by that country in international finance and credit institutions, limits still further the chances of the Cuban economy of obtaining external funding.

43. Discrimination in this field also hampers access to credit on favourable, or even competitive terms, owing to the restrictions it involves on capital markets.

#### Renewed application of coercive economic measures

44. With the present Republican Administration, there has been a recrudescence of the embargo policy through the following actions:

(a) A ban on tourist flights to Cuba by American Airways Charter Inc., in accordance with a ruling by the Department of the Treasury;

(b) A ban on business and tourist travel to Cuba, including the use of credit cards and cash payments for transport and personal expenses while in Cuba, also in accordance with a ruling by the Department of the Treasury.

45. During 1982, the economic embargo imposed by the Government of the United States continued and was intensified through pressures of a special and extraordinary nature. According to partial estimates by high-level technical experts, the embargo has involved economic losses, not including interest and other financial factors, of over \$9 billion, or almost three times the amount of the country's foreign debt in convertible currency.

46. Finally, on 31 May 1983, the United States Government informed the Japanese Government of its decision not to import Japanese steels containing Cuban nickel. According to the announcement, the ban was to be introduced gradually from June 1983, and the provisions of the Cuban Assets Control Regulations were cited in

support of it. These actions against undertakings and governments of countries importing Cuban nickel have been extended to other markets, making it difficult for Cuba to sell this product, even to enterprises which are purchasers of long standing.

Chronological list of events

- 1960      The President of the United States reduced Cuba's sugar quota on the United States market by 700,000 tons.
- Domestic measures were imposed to prohibit the export of United States spares to Cuba.
- The delivery of fuel for industrial processing and marketing in Cuba was discontinued.
- The United States imposed an embargo on shipment of goods to Cuba.
- The entire Cuban sugar quota for the first three months of 1961 was suspended, with successive extensions until the quota became permanently suspended.
- 1961      The United States imposed a total embargo on the shipments of goods to Cuba.
- 1962      Presidential Proclamation 3447 of the Government of the United States instituted a total embargo on trade between the two countries.
- 1962      Preferential treatment and most-favoured-nation treatment were cancelled by the United States under section 401 of the Tariff Act of 1962 and by the application of section 5 of the Trade Agreement Extension Act of 1951.
- In the Foreign Assistance Act of 1962, the United States stipulated that no assistance would be furnished to the Government of Cuba or to any country which furnished assistance to it.
- 1963      Approval of the Cuban Asset Control Regulations (31 CFR, sect. 515) which established the régime applicable to all commercial and financial transactions involving Cuba.
- 1964      The State Department threatened Spain on account of its economic relations with Cuba.
- 1967      The United States renewed the ban on travel to Cuba by United States citizens.
- 1968      Cuba withdrew from the International Coffee Council owing to the discriminatory treatment it was receiving at the instigation of the United States.

- 1974 The United States Trade Act again refused to grant most-favoured-nation status to Cuba and in its provisions established conditions of a political nature to justify its attitude.
- 1975 The United States permitted trade between United States subsidiaries located in third countries and Cuba subject to the obtaining of export licences from the Department of Commerce.
- 1977 The International Development and Food Assistance Act forbade the use of funds under the Act to assist Cuba.
- 1979 The Trade Agreements Act gave constitutional continuity to the measures previously established by the Trade Act of 1974.
- 1980 The United States Department of the Treasury forbade the import of special steels containing Cuban nickel.
- 1981 The United States applied the economic embargo to displays of Cuban handicrafts in handicraft fairs.
- United States transnational corporations prevented Cuba acquiring chemical products to eradicate an epidemic in the country.
- Prohibition of business and tourist travel to Cuba by United States nationals, including the use of credit cards and cash payments.
- 1983 The United States informed the Japanese Government of its decision not to import Japanese steel containing Cuban nickel.

#### CYPRUS

[Original: English]

[2 July 1984]

In the case of the Republic of Cyprus, no developed country is threatening to apply or is applying trade restrictions, blockades, embargoes and other economic sanctions incompatible with the provisions of the Charter and in violation of undertakings contracted multilaterally or bilaterally.

#### CZECHOSLOVAKIA

[Original: English]

[20 June 1984]

1. The provisions of all fundamental international documents and rules governing the international economic relations are strictly observed by the Czechoslovak Socialist Republic which fully respects all its international obligations ensuing from these documents and rules.

2. Czechoslovakia rejects all kinds of embargoes, blockades, sanctions and any other discriminatory and coercive measures used by any country or group of countries against any other country or group of countries and motivated by political reasons.
3. Czechoslovakia considers the above-mentioned actions as incompatible with the provisions of the Charter of the United Nations, the Charter of Economic Rights and Duties of States, the rules of the General Agreement on Tariffs and Trade and simply with normal and mutually-advantageous relations among countries based on confidence.
4. In this regard, Czechoslovakia objected several times to these measures in the same way as the group of socialist countries (group "D") while adopting, on 2 July 1983, resolution 152 (VI) on rejection of coercive economic measures at the sixth session of the United Nations Conference on Trade and Development.
5. Czechoslovakia considers the group "D" statement regarding the adoption of the above-mentioned resolution delivered, at the 199th plenary meeting of the sixth session of UNCTAD, as fully and clearly reflecting Czechoslovak views on the problem.
6. Bearing in mind all the above-mentioned facts, Czechoslovakia entirely supported the adoption of the United Nations General Assembly resolution 38/197.
7. As to paragraph 3 of that resolution, Czechoslovakia, rejecting such an interpretation of this paragraph that might include Czechoslovakia in the "developed countries" group together with the developed market-economy countries, officially declares that no coercive measures of political or economic motivation are applied by Czechoslovakia against any country or group of countries.
8. Moreover, Czechoslovakia wishes to underline that different kinds of the above-mentioned coercive measures are applied with political motivation against Czechoslovakia and other socialist countries by some market-economy countries or their groupings.
9. Czechoslovakia avails itself of this opportunity to reiterate its support for the above-mentioned resolutions, considering that the application of coercive economic measures spoils the international climate of co-operation in the whole complex of international economic relations and affects both the socialist countries and the developing countries with especially negative impacts on the economy of the latter.
10. The Czechoslovak Socialist Republic rejects all discriminatory and coercive measures and declares that only the complete removal of all these measures can substantially contribute to the peaceful, fruitful and equal co-operation among all nations and to build up international confidence in these relations.

DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

[Original: English]

[20 July 1984]

1. Some Western countries, ignoring the Charter of the Economic Rights and Duties of States and international laws and practices, apply discriminative policy to our country. For instance, the Japanese Authority, under the pretext of no diplomatic relations with our country, excludes our trading corporations and foreign trade bank from the possibility of utilizing Japanese export and import bank.

2. The Japanese Authority levies specially high import duties on the goods originating from our country as a link of its hostile policy towards our country. For example, the Japanese Authority levies up to 5 per cent import duties on our pig iron and steel plates, whereas it levies no duties, on silk yarn, cocoon, pollack fish roe, as much as two times of those of other countries. This shows that the allegation of the Japanese Authority that it is developing trade with all countries under the principle of mutual equality and mutual benefit, irrespective of the political relations and the difference of social system, is false.

3. The system of the Co-ordinating Committee for Export to Communist Areas (COCOM) of Western countries against socialist countries is one of the offspring of unjust discriminatory policy that harms the process of equitable international economic relations. We take note of the fact that such discriminatory policy influences reverly the field of international economic development and co-operation.

Among others, certain gauges or machines for pilot production to be delivered under projects of UNDP assistance for our country are categorized as "COCOM" items and face difficulty in their delivery, causing delay in the implementation of the assistance.

Since the dirty machination and unfair economic sanctions of United States imperialism, aimed at suppressing the aspiration of Asian and African countries to have close political and economic relations and expand commercial relations with our country, blackmailing these countries with possible discontinuation of "economic aid" is well known, we will not list them here.

ECUADOR

[Original: Spanish]

[28 June 1984]

1. The Government of Ecuador considers that the General Assembly of the United Nations, in its desire to achieve harmony among nations based on respect and on the elimination of factors which endanger that objective, has been constantly concerned with the harmful effects on the economies of developing countries of measures or

sanctions of a coercive nature applied by some developed countries in order to exert political or economic pressure and to bring about the subordination of the developing countries in the exercise of their sovereign rights.

2. In 1970, the General Assembly adopted the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations, which constitutes the basis for the undertaking by all States to co-operate with one another, irrespective of the differences in their political, economic and social systems, in the various spheres of international relations, in order to maintain international peace and security and to promote international economic stability and progress, the general welfare of nations and international co-operation free from discrimination based on such differences.
3. In 1974, recognizing the importance of the problems of development in international relations and the promotion of world peace and security, the General Assembly adopted the Declaration on the Establishment of a New International Economic Order, one of whose principles states that no State may be subjected to economic, political or any other type of coercion to prevent the free and full exercise of national sovereignty over its natural resources and economic activities.
4. In 1974 as well, the General Assembly adopted the Charter of Economic Rights and Duties of States, which contains basic provisions intended to govern international economic relations in a universal and systematic manner; article 32 of the Charter provides that "no State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights".
5. In view of such precedents, the Government of Ecuador considers that any economic sanction or coercive measure constitutes a violation of the principles of international economic co-operation referred to in the previous paragraphs. However, the industrialized nations are seeking to apply various economic, political, financial and trade measures with a view to effecting the freedom of action of developing countries, a situation rejected by the international community in UNCTAD resolution 152 (VI) and General Assembly resolution 38/197.
6. In the field of trade, the developing countries are facing serious obstacles, many of them of a discriminatory or coercive nature, in placing their products in industrialized markets because of quantitative or other restrictions that affect not only normal trade flows but also investment flows, as well as the credibility of the multilateral trade system, confidence in its standards, and the policy of international co-operation.
7. The various quantitative restrictions and other limitations that affect the exports of developing countries to the markets of the industrialized countries, many of them applied in a discriminatory or restrictive manner, include the following: prohibited imports, overall quotas, bilateral quota or quotas, quantitative restrictions (not announced publicly in advance), restrictions based on minimum prices, customs quotas, discretionary licensings system (unspecified method), State restrictions, State trade, duties imposed on imports intended for technical or industrial use, technical barriers to trade, preferentially protected sectors, etc.

8. The developing countries are also facing steadily increasing economic, trade and financial threats by the industrialized nations, as well as trade restrictions, blockades, embargoes and other sanctions incompatible with the principles and objectives of international economic co-operation and the undertakings contracted either bilaterally or multilaterally; this affects the economic, political and social development of the countries subjected to such measures, as in the case of Ecuador, for example, which has been excluded from the scheme of preferences of the main market for its exports and subjected to an embargo on tuna because it exercised its sovereign right over its natural resources and economic activities.

9. The Government of Ecuador, therefore, reiterates its firm support of General Assembly resolution 38/197 and appeals to the developed countries to demonstrate their political will in favour of international economic co-operation, through respect for international undertakings contracted as a condition for promoting friendly relations among States and consolidating peace and the general welfare of nations.

GERMAN DEMOCRATIC REPUBLIC

[Original: English]

[June 1984]

1. The German Democratic Republic is in support of all measures facilitating free trade and peaceful co-operation among nations. Equality, respect for sovereignty, non-discrimination, mutual advantage and non-interference in internal affairs are the principles underlying the German Democratic Republic's external economic policies in accordance with the Charter of Economic Rights and Duties of States. It furthermore works to have implemented these principles throughout the world as the basis of international co-operation.

2. In conformity with this principled position, the German Democratic Republic, at the thirty-eighth session of the General Assembly, voted in favour of resolution 38/197 entitled "Economic measures as a means of political and economic coercion against developing countries". Its position was also reaffirmed in the joint declaration of socialist States on the inadmissibility of economic blockade, coercion, threat and diktat in international economic relations, which was adopted during the thirty-eighth session of the General Assembly on 20 December 1983.

3. Already at the sixth session of the United Nations Conference on Trade and Development, the German Democratic Republic supported resolution 152 (VI) entitled "Rejection of economic coercive measures", which condemns the use of measures of economic coercion in international economic relations as fundamentally contradicting the United Nations Charter and the generally accepted principles of international law.

4. The German Democratic Republic is deeply concerned over the fact that growing difficulties and mounting obstacles continue to impede the development of international trade and economic co-operation of States. International economic

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relations are particularly affected by the restrictive trade policies that are being pursued by certain circles for purely political considerations. Their practice is in direct contradiction to the principles of international law and the acknowledged norms and rules of international economic intercourse.

5. There has been repeated proof in the history of international trade that attempts at achieving political and global strategic objectives through trade restrictions, embargoes, economic blockades and other measures incompatible with international law are, in the final analysis, doomed to failure and react on those who resort to them. The inherent danger of such attempts is that they disorganize international trade and economic relations, destroy the confidence which over many years has evolved and grown among trading partners, and corrupt the international atmosphere. Experience, also teaches that the application of restrictive measures for non-economic reasons not only affects the interest of those States which are the targets of such measures, but concerns all States which take an interest in peaceful trade exchanges and advantageous co-operation.

6. A variety of methods is being used to continue the policy of economic aggression against progressive developing countries and the socialist States. So, for instance, foreign aid is made dependent on global strategic considerations, food supplies are perverted into a political weapon against developing countries, technology transfer and credits are restricted and quotas established for exports to socialist countries.

7. The German Democratic Republic, which does not employ such practices in its external economic policies, is guided by the common interest of the peoples in safeguarding peace, halting the arms race and ensuring economic and social progress. Trade and international economic and technico-scientific co-operation must serve peace; they must not be misused as an instrument of confrontation. This requires dialogue in good faith between States, constructive negotiation and a trustful international atmosphere. The German Democratic Republic, therefore, firmly condemns all forms of economic aggression and any attempt to misuse economic relations as a means of exerting political pressure and interfering in the affairs of other States and to prejudice the efforts of international organizations to facilitate trade and economic co-operation among all States in the interests of the economic and social progress of the peoples. The German Democratic Republic proposes that all States should commit themselves not to undertake for non-economic reasons any new measures against individual States or groups of States, which run counter to the provisions of the Charter of the United Nations, and immediately to repeal any such measure that was taken in the past.

8. Thus, economic co-operation would be steered back to normality and the climate created which is indispensable for the solution of the global problems facing mankind.

9. The United Nations and predominantly UNCTAD, should focus increased attention on adopting effective measures so that the principles and rules of international economic exchanges are observed in letter and spirit by all States.

10. The German Democratic Republic reaffirms its preparedness to make its effective contribution to this end and to join in efforts with all those who are interested in fruitful economic co-operation for the benefit of the peoples.



GUATEMALA

[Original: Spanish]

[28 June 1984]

The Permanent Mission of Guatemala wishes to state that no developed country has yet taken coercive measures against Guatemala within the terms of that resolution.

HUNGARY

[Original: English]

[16 July 1984]

1. The Hungarian People's Republic bases its economic and trade relations on the principles of sovereign equality of States, the unconditional most-favoured-nation treatment, non-discrimination, mutual advantages and the fulfilment in good faith of contractual obligations, and expects its trading partners also to respect these principles.
2. It is of great concern, that the deepening economic crisis brought about a new wave of protectionist trade policy measures, which in itself threatens the normal course of international trade. It is especially dangerous, however, that in addition to these measures certain developed countries apply further restrictive measures, such as embargoes and discriminatory restrictions on the basis of purely political considerations. Hungary considers these measures to be contrary to the generally accepted rules and norms of international trade and economic co-operation.
3. On this basis Hungary rejects these measures and consequently voted in favour of resolution 38/197 at the thirty-eighth session of the General Assembly, entitled "Economic measures as a means of political and economic coercion against developing countries", and reaffirmed this position in the joint declaration of socialist States adopted during the same session of the General Assembly, on 20 December 1983.
4. The work carried out in different multilateral forums, first of all in the United Nations system, plays an important role in the confidence-building process, which is of priority importance in international economic relations. Hungary reaffirms its readiness to join in efforts with all countries, which are also prepared to contribute to this end.

MADAGASCAR

[Original: French]

[3 September 1984]

1. In various instances of bilateral co-operation between Madagascar and developed countries, all aid given by those countries is tied except for aid in the event of natural disasters. There is now a marked tendency for developed countries to apply the principle of reciprocity, albeit somewhat hesitantly for the moment.
2. Exports of capital and negative aspects of grants and aid: the developed countries frequently give or provide us with obsolescent machinery for which we are obliged to buy all needed spare parts on their markets, and sometimes even to call in their technicians.
3. Debt pressure: financing organizations almost all operate under the auspices of major developed countries which dictate their conditions.

NICARAGUA

[Original: Spanish]

[22 May 1984]

1. The international community will be aware that Nicaragua has, at the hands of the United States Government, undergone a steadily intensified blockade in the political, military and economic fields aimed at paralysing its economy and weakening its capacity to defend its national independence.
2. Various arbitrary measures detrimental to the welfare of the Nicaraguan people and violating its right to self-determination are described below.

I. AGGRESSION IN THE FIELD OF FINANCE AND TRADE

A. Introduction

3. The Nicaraguan economy faces an enormous task in the rebuilding of the country in the present period of world economic crisis, which weighs particularly heavily on developing countries; because of this it requires substantial flows of external resources. The World Bank, for example, estimated these requirements at some \$300 million for 1982 and 1983; of this sum, \$125 million was to come from multilateral sources.
4. The Reagan Administration's policy of aggression against Nicaragua manifests itself in the field of finance and trade through the Administration's use of its political power to block this form of financing in financial institutions.

5. As a result of this policy, the share of multilateral organizations in Nicaragua's external financing structure in commitment terms dropped from 32.3 per cent in 1980 to 15.6 per cent in 1983.

6. Then there is aggression in the field of trade; this has been designed to sever bilateral trade links, which for a country like Nicaragua are of permanent importance economically. Examples of this form of aggression are the virtual abolition of our sugar quota, the reduction in the meat quota, suspension of credit for wheat and edible oil imports, the closing of consulates in the United States and, finally, the mining of Nicaraguan ports, which is patent evidence of the commercial and physical blockade.

#### B. History of the aggression

7. A few days after taking power, the Reagan Administration decided to suspend disbursement of the initial \$15 million due over an overall loan of \$75 million agreed earlier by President Carter's Administration; this loan was intended to finance the task of reconstruction and economic revival.

8. In March of the same year, the United States announced the suspension of a previously agreed loan of \$9.8 million for the purpose of wheat in the United States itself under programme PL-480.

9. The suspension of a further \$11.4 million affected rural development projects, improvements in education and the implementation of various health programmes.

10. The Latin American Council of the Latin American Economic System (SELA), in decision No. 9 entitled "Solidarity with Nicaragua", expressed its profound concern at the decision of the Government of the United States of America to suspend the loan which had been granted to the Government of Nicaragua for the purchase of wheat, and at the repercussions which that measure would have on the population and economy of Nicaragua.

11. In April 1981 the United States Government ordered the suspension of all future official bilateral aid to Nicaragua. Furthermore, not only the United States Government but also the Export-Import Bank and the Overseas Private Investment Corporation withdrew their financing guarantees for trade flows to and from Nicaragua. This step had a far-reaching effect on the supply of replacements and the repair of manufacturing equipment. In December 1981, the United States representative in the Inter-American Development Bank vetoed a \$500-million project for the development of agricultural co-operatives which had been submitted to the Fund for Special Operations.

12. From February 1982 onwards United States pressure in the World Bank led that body to take multilateral action against Nicaragua which resulted in the suspension of the loan programme and insistence on an economic stabilization programme.

13. In 1982 the United States threatened to stop importing meat from Nicaragua if we purchased pedigree stud animals from Cuba; it gave as a pretext the possible

spread of foot-and-mouth disease, although numerous international organizations stated that the disease did not exist in Cuba. At present the import quota for Nicaraguan meat has been reduced.

14. The policy pursued through the Inter-American Development Bank at the end of the first quarter of 1983 meant that Nicaragua lost \$35.4 million, a sum which was to have been channelled through the Inter-American Bank for economic integration.

15. In May 1983 the United States announced a 90 per cent cut in the quota of sugar bought by the United States from Nicaragua, the reasons given being exclusively political ones. The quota had been 58,800 metric tonnes, so that the cut reduced it to 5,880 metric tonnes.

16. The Government of National Reconstruction lodged a formal complaint with the secretariat of the General Agreement on Tariffs and Trade (GATT) to the effect that the measure decided on by the United States Executive constituted a violation of the rules and principles governing international trade. On 8 June 1983 Nicaragua and the United States held consultations under the GATT dispute settlement procedure with the aim of reaching a mutual satisfactory solution. Because of the negative attitude adopted by the United States, the Government of National Reconstruction requested the establishment of a panel of arbitrators to examine the complaint lodged by Nicaragua. In the report submitted to the GATT Contracting Parties, the panel expressed its view that the United States, by reducing Nicaragua's sugar quota, had violated its obligations under the General Agreement on Tariffs and Trade. On 13 March 1984, the Council of Representatives of GATT unanimously adopted the report of the panel which had found in Nicaragua's favour and asked the United States promptly to restore to Nicaragua the sugar quota to which it was entitled (61,900 tons for the present year). The GATT Council was entrusted with following up the matter and seeing that the recommendations were duly complied with. Nevertheless, a White House spokesman has announced that the United States will not restore Nicaragua's sugar quota.

17. In addition, the Latin American Council, which is the supreme organ of the SELA, resolved at an extraordinary and urgent meeting on 27 May 1983 to repudiate the measure taken by the Government of the United States of America against Nicaragua, affecting the autonomy of that member State and threatening its economic security, and to urge the Government of the United States of America to revoke the measure.

18. In June 1983 the United States Government ordered the closing of all except one of Nicaragua's consulates in the United States, thus hampering trade flows between the two countries.

19. Latin American solidarity was manifested again in decision No. 148 adopted by the Latin American Council of SELA on 21 September 1983. The preamble and operative paragraphs of this decision read as follows:

"WHEREAS, despite the request made by the Latin American Council of SELA in decision No. 148, the Government of the United States of America has continued to take coercive economic measures which affect the people and Government of the Republic of Nicaragua, including the cancellation of cargo flights by the Nicaraguan airline Aeronica, the closing of Nicaraguan consulates, the unjustified vetoing of an application for resources from the Fund for Special Operations of the Inter-American Development Bank, and the statement by the United States Department of the Treasury announcing the decision of the United States Government to oppose any loan applications made by Nicaragua to multilateral financing institutions in which the United States participates;

"WHEREAS the taking of those measures does not help to create a peaceful climate in Central America and counteracts the efforts being made by the Latin American countries to consolidate peace in the region;

"THE COUNCIL:

"1. Reiterates its repudiation of the new coercive economic measures taken by the Government of the United States of America against Nicaragua, which are not only unlawful and arbitrary but also affect the autonomy of that member State and threaten its economic security, as stated in paragraph 3 of decision No. 148.

"2. Urges the Government of the United States of America to revoke those measures and any other step which might constitute an act of economic coercion against a member State.

"3. Expresses its satisfaction with the manifestations of solidarity expressed to Nicaragua in the present situation."

## II. MILITARY AGGRESSION AND ITS ECONOMIC AND SOCIAL CONSEQUENCES

20. As a result of military aggression by the United States, Nicaragua has suffered loss through destruction of ports, damage to production and destruction of construction vehicles, health centres, schools, production centres and child care centres; the losses total \$300 million, which represents one quarter of our annual investment.

21. In 1983 military aggression alone caused losses equal to 30 per cent of Nicaragua's export earnings. From October 1983 onwards the imperialistic aggression concentrated on economic targets such as ports, energy installations and agricultural projects.

22. The goods blockade caused by the criminal mining of Nicaraguan ports, undertaken and acknowledged by the Central Intelligence Agency (CIA), affected the procurement of perishable consumer goods and flows of Nicaraguan exports. The Co-ordinator of the Government Junta of National Reconstruction, Commander of the Revolution Daniel Ortega Saavedra, said in his speech to the Fifth Legislative Session of the Council of State:

"The Administration of the United States of America has blocked our access to long-term multilateral funds and by mining our ports inflicts on us a blockade which is not only financial but also physical, its aim being to sever our trade routes."

23. The cost of replacing buildings, machinery, plant, equipment and raw materials lost or damaged solely as a result of the devastating action which took place under the Somoza dictatorship during the Nicaraguan people's war of liberation was estimated at the time to amount to approximately \$500 million.
24. In 1982 Nicaragua lost \$180 million in income by comparison with the export earnings figure for 1980.
25. Expenditure on resettling people in border areas which are prone to the aggression directed against economic production, as well as against human beings, amounted to \$38 million.
26. Replacement costs from 1981 to 1983 amounted to \$90 million.
27. In 1983 the present United States Administration used CIA personnel to sabotage oil tanks in the Nicaraguan port of Corinto (this was subsequently confirmed by senior officials of the United States Administration).
28. Among other things, they destroyed more than 600 metric tonnes of food donated by the United Nations and caused a fire of extremely dangerous proportions, the damage from which was calculated at more than \$8 million.
29. Fortunately, the fire was brought under control with the assistance of the sister countries of Cuba, Mexico and Colombia, the last two being members of the Contadora Group.
30. For 1984 economic conditions indicate a growth rate of about 3 per cent; this alone will prevent any noticeable improvement in the standard of living and will affect our level of investment.
31. In the last few months imperialistic aggression has intensified, concentrating specifically on economic objectives such as energy facilities and agricultural projects.
32. The policy of State terrorism has forced Nicaragua to mobilize thousands of workers for defence who would otherwise be engaged in production, not to mention the serious setback which it represented for the future of the revolution in the period from 1981 to May 1984, as well as the victims it claimed; in 1983, taking government employees and agricultural co-operative workers alone, these amounted to 753 killed, 125 wounded and 1,015 abducted.
33. The policy of overall aggression includes the mining of Nicaragua's main ports, in open abuse of the law and international shipping. The International Court of Justice unanimously called upon the United States on 10 May to cease and refrain immediately from any action calculated to restrict, blockade or endanger access to Nicaraguan ports, in particular mine-laying. So far this reprehensible action has caused losses equal to more than 10 per cent of our exports.

34. SELA too, at an extraordinary meeting on 28 April 1984, denounced and condemned the mining of Nicaraguan ports.

35. In his speech on 4 May 1984 at the solemn inauguration of the Fifth Legislative Session of the Council of State, Commander of the Revolution Daniel Ortega Saavedra, Co-ordinator of the Government Junta of National Reconstruction, gave an up-to-date account of the effects of the imperialistic aggression:

The situation of permanent military aggression waged by United States imperialism against the Sandinista People's Revolution has been aggravated by new forms of aggression against our people; this dirty war, directed and controlled by the United States Central Intelligence Agency, involves the use against Nicaragua of the United States Air Force to attack economic and defence targets, as in the case of the attacks on Volcán Casita, Potosí and San Juan Sur; naval forces are also employed to attack economic objectives with speedboats fitted with guns and mortars, which are used to attack harbour installations and fuel depots along the Nicaraguan coast.

What is more, the increasingly direct use of these craft and supporting United States destroyers, and added to all this the criminal mine-laying activities of the Central Intelligence Agency in the principal ports of our native land, represent the imposition of a more direct form of commercial and military blockade and introduce fresh elements into the Central American conflict as part of the broader conflict in the area.

The attacks against economic targets have been expensive and wasteful, because of the partial destruction of the country's material basis and the need to redeploy material and manpower resources in defence of our native land.

A comprehensive survey of the financial damage caused to the economic and social activities of the State and of Nicaraguan co-operatives - based on a report which covers only part of the picture - suggests a replacement cost figure of 2.2 million cordobas in 1981, reflecting escalating military aggression by the forces of imperialism.

For the first three months of this year losses amount to 149.9 million cordobas, the principal cost of the aggression being in the form of material damage, which in 1983 amounted to 1,280.9 million cordobas, i.e. 77.7 per cent of total losses.

A further 375.3 million cordobas represents the cost of resettling people in the border areas who have been victims of the terrorist policy of the United States Government.

The figure for material losses in 1983, converted into foreign currency is \$128.1 million; this represents 31 per cent of our exports, or in Nicaraguan currency 3 per cent of the nation's gross domestic product, 20 per cent of its investment and 6 per cent of its total consumption.

In assessing total losses we must bear in mind that the destruction caused by bands of counter-revolutionaries in production areas and to production units has had an unquantifiable effect on maize and bean cultivation, meat and milk supplies, the coffee harvest, fisheries, and timber and ore output. This naturally acts as a brake on the recovery in production, on investment efforts and on the improvement of the living standards of the Nicaraguan people.

As far as they can be calculated at present, losses caused by the mining of Nicaraguan ports amount to \$9.1 million, made up of \$2.2 million due to the sinking of fishing vessels, \$2.8 million in partial damage to foreign vessels and \$4.1 million in loss of earnings, basically owing to the reduction in fisheries production caused by five vessels being sunk.

Another favourite target of the counter-revolution is productive capacity. The Yankee Government thinks it can weaken our defence potential and lower the morale of the population in this way. Physical damage to the infrastructure of the production sector amounts to 298.4 million cordobas. The production sector is the one which has suffered the most from terrorist activities, to the extent of 875.1 million cordobas, i.e. more than 40 per cent of total losses.

Counter-revolutionary action in the northern and Atlantic areas of the country has caused substantial losses in the agricultural and livestock sectors, agricultural activities having declined owing to the shift of the farming population to safer areas. In basic cereals production, which has been particularly seriously affected by counter-revolutionary attacks on co-operatives in those areas, losses amount to 192 million cordobas, to which must be added unquantified losses suffered by small individual producers.

As far as the production of coffee, tobacco and other crops is concerned, losses amount to 168 million cordobas; livestock production has suffered losses amounting to 29 million cordobas, mainly owing to herds being stolen and taken across the frontier by bands of mercenaries. This affects the people's milk and meat consumption as well as the country's exports. Agro-industrial production has been affected by the shortage of foreign currency, which has led to a shortage of replacement items and difficulties in renewing equipment, with adverse consequences for the production of milk, sugar, rice and other essential products.

Fishing has been one of the activities most seriously affected by armed counter-revolutionary action. In 1983 Nicaragua had a fleet of 116 vessels but only 41 per cent were engaged in fishing, the remainder being unavailable for that through lack of maintenance and spare parts or because they were being used for defence tasks. In the current period 13 vessels have been lost (6 pirated, 2 set on fire and 5 sunk by mines); their replacement value is approximately \$6 million, to which must be added a \$10-million loss on prawn and lobster exports which will disappear because the vessels concerned have been destroyed.



In the gold and silver mines the shortage of raw materials and spare parts, obsolescence of equipment and the economic difficulties encountered in replacing it, as well as the lack of spare parts and inputs caused by a shortage of foreign currency - the latter aggravated by terrorist aggression - have helped to reduce the production of industrial gold by 11 per cent by comparison with 1982. Energy problems at the Siuna and Bonanza mines, caused by partial destruction of the El Salto dam through CIA mercenary action, led to losses totalling 15 million cordobas; this will result in an even bigger drop in industrial gold production in 1984.

The economic blockade of the imperialists has delayed the arrival of raw materials, inputs and spare parts needed by industry, leading to fluctuations in the production of consumer goods and semi-manufactures; at one time this caused a crisis in supplies of essential items such as edible oil, soap, toilet paper, powdered milk and toothpaste. Small-scale industries have also been affected by the shortage in inputs, with adverse consequences for the livelihood of thousands of poor families.

Action by CIA mercenaries has also noticeably affected timber output in the war areas, leading during the year to shortfalls of 19 million board-feet in production and \$6 million in exports; it has also hampered the implementation of numerous forestry development projects.

Criminal action by mercenaries has led to the destruction of three people's farm depots, reducing warehouse and storage capacity for basic cereals by 8 per cent; it has also resulted in the closing of five people's shops and the destruction of transport equipment, thus reducing distribution capacity in the war area and causing difficulties in moving crops to consumption centres.

In 1984, as a result of the ports being mined and action by CIA mercenaries, Nicaraguan coffee, sesame and meat exports fell by \$9.2 million. Furthermore, ships carrying powdered milk and butter oil were diverted to Costa Rican ports, with a consequent delay in their arrival in Nicaragua. The main sufferers were the country's children.

Attacks on economic targets have also been directed against the economic infrastructure, causing physical damage amounting to a total of 174 million cordobas. The following have been the major items of damage:

Destruction of fuel storage tanks and blowing-up of energy and telecommunication transmission towers and of bridges, dams and plant; the destruction of the tanks at Corinto alone represented a loss of \$8 million;

Blowing-up of construction equipment and associated plant;

Cutting of communication routes owing to bridges being mined and destroyed, and attacks on Augusto C. Sandino Airport and the Pañas Blancas and Las Manos customs posts.

Delays in infrastructural projects represented an additional loss of 259.6 million cordobas. In all, terrorist activities against the infrastructural sector has meant losses of 517.9 million cordobas, i.e. one quarter of total losses.

... Apart from the economic damage caused by the aggression, the defence of the country in itself has naturally represented a considerable economic burden: in 1983 we were obliged to devote 20 per cent of the budget to defence and security, compared with 18 per cent in 1982; in 1984 the huge scale of imperialistic aggression has forced us to raise the figure, once again, to 25 per cent of the total budget. The financial burden involved in the country's defence has meant raising taxes and cutting back on extensions to health and education services, as well as inflationary pressure which above all affects the country's workers.

In terms of material resources, defence takes its share of food supplies, construction, fuel and industrial output. Industry has lent its own means of production, such as boats and lorries, in support of the Sandinista People's Army. Defence necessitates co-operation on the part of workers, farmers, technicians, people's leaders and young people, all of whom have rallied to the country's defence, devoting to this historic task the best elements in our labour force, which represents our main productive asset. These brothers of ours, the very best of the heroic Nicaraguan people, could be planning the economy, designing projects, building storage facilities and harvesting crops, instead of suffering and dying on the frontier in defence of their native land because of inhuman and immoral aggression.

Between 4 May 1983 and the present time we have been forced to mobilize special resources to meet a criminal upsurge in the various forms of imperialistic aggression and destruction; we have therefore faced serious difficulties in solving the problems which confront us in improving the living standards of the Nicaraguan people.

The aggression has forced us to cut back on the gradual expansion of health projects and close many primary care units, and has prevented others from being built and opened; a number of vaccination campaigns have been suspended and anti-malaria programmes have been reduced below the level which is desirable. The war economy situation has considerably affected investment in all health services, to the extent that the total cost of the aggression in the health sector has been 25 million cordobas; 17 of our health centres have been destroyed; 15 health workers have been killed, including 1 doctor; 11 have been wounded and 13 abducted, including 3 nursing auxiliaries.

The social security and welfare of the Nicaraguan population have suffered a dramatic setback owing to the need to divert resources to people displaced from the war areas; this affects more than 114,000 Nicaraguans, who have had to be resettled in places where they need such things as food, medicines, implements and housing. This situation alone requires us to spend \$53 million on an emergency programme to meet their needs in the next six months.

Our farmers' children are deprived of their rural children's welfare centres, which have been damaged or destroyed to the extent of 9 million cordobas. Large sums have been devoted to special pensions for the families of the heroic combatants, militiamen and reservists who have fallen in defence of their native land.

Supplies of basic consumer goods to the population have been seriously affected by the aggression. The production of maize and beans, which is concentrated in the areas where bands are operating, as well as the supply of essential imports, has been seriously hampered. This has naturally reduced the availability of items to the population. The destruction of means of transport and storage and their priority use on defence have upset distribution networks.

Against this background of widespread shortages, the combat areas had to be given priority in supply quotas in the closing months of 1983. This led to serious shortages of supplies in regions III and IV; these gave rise to opportunist speculation which was aggravated by currents of ideological diversionism aimed at creating confusion about the true cause of the situation, which is the war of aggression waged by the United States.

The financial consequences of the war situation, combined with supply problems, raised our rate of inflation for the basic basket of items to 40 per cent in 1983; this had a serious effect on the living standards of the population, who continue to support the shortages in a spirit of heroism and sacrifice.

Employment has also been seriously affected by the destruction of production capacity, particularly in fishing and mining, and by the scarcity of foreign currency caused by economic aggression, which has hit manufacturing industry hardest of all. If the sectors concerned could work at full capacity there would be at least 10,000 more jobs. As stated above, aggression has driven up inflation and hit the purchasing power of wages.

Workers have experienced the aggression in their own flesh; losses in human life, on which no figure can be put, were 88 civilians in 1982 and 1,550 in 1983; of the latter, 605 were killed, 102 wounded and 843 abducted. These figures are confined to government workers and victims who were members of agricultural co-operatives.

In the period from January to March 1984 there were 249 victims, 54 of whom were killed, 23 wounded and 172 abducted; this makes a total for 1982, 1983 and the first three months of 1984 of 1,887 victims, 747 of whom were killed, 125 wounded and 1,015 abducted; these people are victims of the policy of State terrorism which the Reagan Administration has unleashed upon the heroic Nicaraguan people.

The forces of imperialism are also depriving the Nicaraguan people of the right to education which they won through their victory on 19 July.

The imperialists have substantially destroyed 15 rural schools, forced a halt in the building of 27 more and, by their criminal action, obliged 138 primary schools to close in the areas affected by the State terrorism of the United States.

Several thousand children have been deprived of primary education. The number of primary school teachers killed is 23.

Adult education programmes have been a target for criminal attacks which have forced 647 people's adult education centres to be closed. The State terrorism of the Reagan Administration has vented its fury on people's teachers by killing 135 of our comrades whose only crime was to devote their spare time to lifting the rural population out of illiteracy and ignorance. This is the progress which United States imperialism is bringing to Central America! These are the dividends paid by the appropriations of \$21 million which the Administration is seeking from the United States Congress!

Yet while the debate on financing the murderers of the people's teachers continues in Washington, 1,800 of these teachers have been mobilized in reserve infantry battalions in order to strike back at their colleagues' killers and defend the conquests which the people won through the Sandinista People's Revolution.

Our struggle to improve the quality of education and the academic benefits produced by higher education is suffering serious setbacks because teachers and students have left their classrooms en masse and courageously enlisted in the militia and the reserve battalions.

Cultural programmes have also suffered and three cultural workers have been killed.

Electrification projects have been affected by the sabotage inflicted by bands of counter-revolutionaries on energy transmission and distribution towers.

The building of more than 2,000 homes has had to be halted because of the need to divert material resources to the areas where war refugees have been resettled.

The drinking-water projects for Nueva Segovia and Madriz and the sewage project for the port of Corinto have also been halted, with adverse consequences for environmental conditions in those areas.

To sum up, to a greater or lesser extent the standard of living of the entire Nicaraguan people has been affected in a multitude of ways by the policy of State terrorism pursued by the United States Administration.

NIGERIA

[Original: English]

[16 August, 1984]

No specific economic measures have, to our knowledge, been adopted against Nigeria as a means of political and economic coercion by any developed country.

POLAND

[Original: English]

[26 July 1984]

1. Poland strongly condemns the policy of applying economic measures as a means of political and economic coercion or as an instrument of interference in the internal affairs of sovereign States. Such measures and actions are in contradiction with the provisions of the Charter of the United Nations, the Charter of Economic Rights and Duties of States and the General Agreement on Tariffs and Trade.
2. Poland's position in this respect was amply set out in the joint statement by the socialist countries of Group D on the adoption of resolution 152 (VI) on rejection of coercive economic measures at the sixth session of the United Nations Conference on Trade and Development.
3. Reiterating its standpoint in this regard, Poland would like to inform that it does not apply any coercive measures of a political or economic nature against developing countries.

SENEGAL

[Original: French]

[27 June 1984]

The competent authorities consulted have made it known that Senegal has not recently had to deplore any coercive measures of this kind.

SWITZERLAND

[Original: French]

[17 May 1984]

Switzerland does not apply economic measures capable of exerting political and economic pressure on any country.

THAILAND

[Original: English]

[28 June 1984]

Some of the economic measures adopted by developed countries as means of economic coercion against developing countries which also affect the economic development of Thailand are:

1. Protective measures to prevent access to market;
2. Measures designed to impede or prevent entry of potential competitors;
3. Export restraints;
4. The extension of non-tariff barriers;
5. Selective or discriminatory measures or assistance programme of some major developed countries based upon politico-economic considerations or specific quid pro quo.

In this connection, the Government of Thailand urges the developed countries to refrain from applying these trade restrictions against developing countries.

UKRAINIAN SOVIET SOCIALIST REPUBLIC

[Original: Russian]

[5 July 1984]

1. The Ukrainian SSR consistently supports and actively promotes the implementation of United Nations decisions concerning the restructuring of international economic relations on a just, equal and democratic basis. Genuine positive progress in this field can be achieved only through the steadfast application by all States of progressive principles of international intercourse such as respect for the sovereignty and territorial integrity of States, sovereign equality of all countries, non-interference in one another's internal affairs, peaceful coexistence, equality and self-determination of peoples, and conscientious and strict fulfilment of international obligations.
2. Unfortunately, these essential principles are ignored more and more often by a number of developed capitalist States, which place serious obstacles in the way of the normal development of economic, scientific and technical co-operation and apply all kinds of economic sanctions, embargoes and other measures of crude pressure aimed at achieving political ends, upon other countries, including socialist countries.

3. In recent years, the number of methods of economic pressure and diktat used by imperialist circles has steadily expanded. In some States this unlawful practice is elevated to the status of official State policy, whose aim is to ensure the inviolability of their own so-called "vital interests" in particular parts of the world, to prevent progressive social and economic change in the developing countries, and to increase those countries' economic dependence.

4. The Ukrainian SSR resolutely condemns such actions, considering as it does that all measures of economic coercion against sovereign States are a gross violation of the Charter of the United Nations, of the provisions of the Declaration and the Programme of Action on the Establishment of a New International Economic Order, and of the Charter of Economic Rights and Duties of States. Such measures and actions contravene generally-recognized principles and norms of international law, and stand in the way of the creation of favourable conditions for the development of mutually advantageous and equal co-operation among States and the establishment of a climate of trust throughout the system of international relations.

5. The policy of discrimination in the sphere of international economic relations runs counter to the interests and progress of mankind. It has harmful consequences, above all, for the social and economic development of developing countries, and it ultimately undermines the role and significance of international economic co-operation in preserving universal peace and strengthening international security - which is the primary objective at the present time.

6. More and more often, however, this policy is turning against those who apply and spread it. Business circles in the capitalist States which are interested in stable economic co-operation are also suffering from this policy.

7. The adoption of General Assembly resolution 38/197 on "Economic measures as a means of political and economic coercion against developing countries" was the expression of the international community's deep concern over this unlawful imperialist practice.

8. Fully sharing that concern, the Ukrainian SSR has stated its position on the substance of the resolution and related matters in the joint statement of interested socialist countries at the thirty-eighth session of the General Assembly (A/C.2/38/8), in a communication on the Ukrainian SSR's implementation of the provisions of the Charter of Economic Rights and Duties of States, in its reply to the note verbale of the Secretary-General of the United Nations concerning resolution 38/196 on confidence-building in international economic relations, and in other documents.

9. The Ukrainian SSR considers that in the present extremely difficult international situation the United Nations should take even more resolute action to ensure that the practice of economic diktat and measures of economic coercion and pressure applied by imperialist States are outlawed and that international economic co-operation develops on a basis of equality and mutual advantage, thus contributing to the consolidation of peace and confidence among peoples.

UNION OF SOVIET SOCIALIST REPUBLICS

[Original: Russian]

[7 June 1984]

1. The Soviet Union attaches great importance to the adoption by the United Nations General Assembly of resolution 38/197 on economic measures as a means of political and economic coercion against developing countries. The Soviet position on this matter is reflected in the joint statement of interested socialist countries at the thirty-eighth session of the General Assembly (A/C.2/38/8).
2. In its policy and practice, the USSR has always followed principles which respond to the interests of the peoples of all countries, such as equality of rights, respect for sovereignty and non-interference in the internal affairs of other States.
3. Recently, the world has increasingly often witnessed crude violations of these fundamental principles of international economic intercourse. As emphasized in the Prague Political Declaration of the States Parties to the Warsaw Treaty adopted on 5 January 1983, "Obstacles are being placed in the way of a normal development of economic, scientific and technical co-operation, economic sanctions and embargoes are being used as instruments of policy, and this complicates even further the efforts to solve today's economic problems".
4. These actions on the part of imperialist quarters, above all the United States, undermine international economic co-operation, thwart the goal of restoring trust in international economic relations, and impose on these relations the negative trends whose reversal is a necessity, which was also stressed in General Assembly resolution 37/203.
5. The arsenal of such actions on the part of imperialist quarters includes trade embargoes, financial boycotts, economic blockades, the severance of co-operation in economic, scientific and technical fields, and the unilateral termination of existing agreements and treaties. In recent years the range of these means of economic pressure has been constantly expanding. In certain developed capitalist countries, and primarily the United States of America, this action is raised to the level of State policy. Attempts are being made to use for this purpose such machinery as the Co-ordinating Committee for Export to Communist Areas (COCOM).
6. Discriminatory economic sanctions are being imposed against both socialist and progressive developing countries in order to cause them economic difficulties and thereby "punish" them for one action or another that imperialism finds unpalatable. Whenever developing countries choose an independent path of development and nationalize, in accordance with their national sovereignty, the ownership of foreign monopolies, they may find themselves the target of such economic sanctions. Measures of economic coercion are frequently employed in order to ensure the inviolability of foreign political and economic positions in one country or another and to prevent the introduction of progressive socio-economic reforms, thereby maintaining its economic dependence. The ruling circles in the



United States are increasingly using the lever of so-called "aid" in one region or another to discriminate against progressive developing countries, in order to make the recipients of that "aid" renounce plans for independent national development and to impose internal political and economic changes upon them which are favoured by imperialism.

7. Threats and sanctions are used by certain imperialist countries, even against allies, in order to win their political obedience.

8. There is nothing in international law that can justify these measures of economic coercion, which are completely incompatible with the Charter of the United Nations, the Declaration of Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations, the Charter of Economic Rights and Duties of States, the Declaration and the Programme of Action on the Establishment of a New International Economic Order and all accepted rules and established practice within the sphere of international relations.

9. The pursuit of a policy of economic diktat, blackmail and threats will have serious consequences harmful to the interests and progress of mankind.

10. Politically, the use of such measures will lead to a further deterioration in the international climate and in the final analysis creates a threat to general peace and security and undermines the role of international economic relations in strengthening peace and trust.

11. Economically, the use of such measures slows down international efforts in the field of economic development and co-operation and has the most destructive consequences for developing countries, since it impinges on their national sovereignty, hinders efforts to make more effective use of their natural resources in the promotion of social and economic progress and has adverse effects on the living conditions of the working masses.

12. At the same time, trade and financial sanctions turn against those who apply them and damage those companies and firms in capitalist countries that have an interest in stable economic co-operation.

13. The failure of all the attempts of imperialism to employ such sanctions against the Soviet Union is a universally recognized fact.

14. The pursuit of a policy of sanctions and threats leads to the disorganization of international economic relations, makes it more difficult to restructure those relations on a just and democratic basis, slows down the general recovery from the economic crisis and makes it more difficult to pursue international co-operation in the interest of all peoples.

15. The overwhelming majority of States are deeply concerned by the scale on which this policy is pursued in international economic relations and are demanding that it be abandoned. At their Seventh Conference in New Delhi, the Heads of State or Government of Non-Aligned Countries rejected all forms of economic aggression and

the use of commercial threats and of any form of blockade or measures of coercion or blackmail against the developing countries as a means of exerting political pressure. They reaffirmed the right of all States to the full exercise of national sovereignty and to the adoption of the economic and social systems that they considered most appropriate for the promotion of their development.

16. The adoption of resolution 152 (VI) by UNCTAD at its sixth session, and the final documents of the ministerial meetings of the non-aligned countries and the Group of 77 held in New York in October 1983, which condemned economic aggression, trade restrictions, blockades, embargoes and other unlawful economic sanctions, represent a major contribution to the struggle against coercive economic measures, which are incompatible with the Charter of the United Nations and the generally accepted rules of international law.

17. Further Soviet observations on this problem are contained in the replies recently transmitted to the Secretary-General of the United Nations in response to his inquiry in connection with the General Assembly resolutions 38/196 on confidence-building in international economic relations, and 37/204 on review of the implementation of the Charter of Economic Rights and Duties of States.

18. As was emphasized by the government leaders of the socialist countries at the thirty-seventh session of the Council for Mutual Economic Assistance held at Berlin in October 1983, the socialist countries "firmly condemn all forms of economic aggression and any attempt to use economic ties as a means of exerting political pressure and interfering in the internal affairs of States".

19. The international community should take firmer measures to ensure that the imperialist practice of economic diktat and economic coercion in any form should be made illegal. The United Nations has an important role to play in resolving this problem. To this end, the analysis of the imperialist practice of unlawful sanctions and the drafting of recommendations on its suppression must become a component of research by the United Nations Secretariat on problems of international economic relations, and of all the Secretariat's work on the implementation of General Assembly resolutions on the equitable restructuring of those relations, building confidence and overcoming negative trends in them, and the establishment of a new international economic order.

VIET NAM

[Original: English]

[24 June 1984]

1. The Government of the Socialist Republic of Viet Nam holds that while the North-South dialogue is in a continuous impasse and the important measures adopted by the international community to restructure international economic relations have not been fully implemented, serious obstacles continue to upset the reaching of the goals and objectives set forth in the Declaration and the Programme of Action on the Establishment of a New International Economic Order as well as in the Charter

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of Economic Rights and Duties of States. At present, a more dangerous trend in international economic relations is the fact that the major imperialist countries and the international reactionaries have systematically been applying the coercive and restrictive measures of increasing scope and policies of economic aggression, blockade, embargo, sabotage, using economic assistance as an instrument for exerting political pressure on many developing countries as well as countries having different economic and social systems in various parts of the world.

2. During the current international economic crisis, above-said policies and measures are increasingly carried out by the strongest imperialist Power and its strategic allies against the weaker developing countries in South-East Asia, Latin America, Middle-East and southern Africa, etc. The United States Administration, while pursuing the policies of interference and aggression in many parts of the world, has been exerting, in particular, the most brutal economic pressure against Nicaragua and recently mining the waters of that country - an action strongly condemned by the International Court of Justice.

3. The above-mentioned policies and measures are incompatible with the norms and principles guiding relations among States, as established by the United Nations Charter and other instruments in international law. If a timely stop is not put to these policies and measures, many more countries, especially the vulnerable developing ones, will fall victim and moreover, they will set a dangerous precedent and wicked practice in development and international economic co-operation.

4. In South-East Asia, the Indo-Chinese countries in general and the Socialist Republic of Viet Nam in particular has over the years been a victim of the above-mentioned policies and measures pursued by the international reactionaries and imperialist Powers. Carrying out these policies, since the year 1975 to 1978 the Chinese authorities have not only cut off aid to Viet Nam, recalled all their economic experts and technical personnel working in Viet Nam, but also unilaterally discontinued more than 100 unfinished projects, some of which were of great importance to the reconstruction of Viet Nam.

5. Having suffered defeat in the 1979 war of aggression against Viet Nam, they, acting in collusion with the imperialist and regional reactionary forces, have been carrying out a multi-faceted war against the three Indo-Chinese countries. In this warfare, measures of economic sabotage have systematically been used aiming to bleed Viet Nam white. Not only have they cut off all communications by road, railway, air and sea, trade and economic relations including humanitarian and technical ones, but they have also sent their scouts and commandos to Viet Nam to destroy and sabotage its economic potential. More serious still, since April 1984, they have escalated acts of war, bombarding many industrial enterprises, irrigation systems, farms and afforestation areas in the Vietnamese border provinces.

6. Along with the above-mentioned economic measures against Viet Nam and other countries in the Indo-Chinese peninsula, the Chinese authorities and the United States imperialists have resorted to wicked and perfidious manoeuvres by persuading and exerting pressure on several countries and international organizations to end their economic relations with Viet Nam, to suspend or cut off aid to Viet Nam, including humanitarian aid. These policies and measures have slowed down the

development and seriously affected the implementation of national economic and social plans and programmes. Although they did cause many difficulties to the Vietnamese people, their manoeuvres were, however, foiled.

7. The Socialist Republic of Viet Nam fully supports resolution 38/197 on economic measures as a means of political and economic coercion against developing countries, adopted by the Assembly at its thirty-eighth session and it strongly believes that this question should be kept under review every year and that the United Nations should work out concrete steps and measures towards the elimination of measures of economic coercion against the developing countries.

#### ZIMBABWE

[Original: English]

[5 July 1984]

At this stage, however, Zimbabwe has no information to submit.

#### Notes

a/ The Federal Reserve Bank of New York, in circular No. 5353 of July 1963, sent to all banks, provided information, at the request of the Department of the Treasury, on provisions contained in these regulations.

b/ In section 515.541 of the Regulations, it is explained that no transaction is authorized involving United States dollar accounts or any other property subject to the jurisdiction of the United States.

Section 515.203 includes under the term "property" gold, silver, bullion, currency, coin, credit, securities (as that term is defined in the Securities Act of 1933), bills of exchange, notes, drafts, acceptances, cheques, letters of credit, book credits, debts, claims, contracts, negotiable documents of title, mortgages, loans, annuities, insurance policies, options, and futures in commodities and evidences of any of the foregoing. The term is not deemed to include chattels or real property.

c/ Section 515.319 defines the term "blocked account" to mean an account in which Cuba, or any national of that country resident in Cuba, has an interest with respect to which accounts payments, transfers or withdrawals or other dealings may not be made or effected except pursuant to any authorization or licence authorizing such action.

Notes (continued)

In section 515.201 of the Regulations, all transfers of credit and all payments between, by, through or to any banking institution or banking institutions, wheresoever located, with respect to any property subject to jurisdiction of the United States or by any person subject to that jurisdiction, are prohibited. Section 515.313 defines the phrase "property subject to the jurisdiction of the United States", as securities, whether registered or bearer, issued by the United States or any agency or instrumentality thereof, as well as any person within the United States, whether the certificate which evidences such property or interest is physically located within or outside the United States. It includes securities by whomsoever issued if the instrument evidencing such property or interest is physically located within the United States.

Section 515.541 prohibits the granting of credits in connection with the purchase or sale of any merchandise of United States origin.

d/ Section 402 and 403.

e/ In accordance with section 21 of the Statute of the Inter-American Development Bank, section 12 of the Statutes of the Agency for International Development and section 18 of the Statutes of the Asian Development Bank.

f/ 7 U.S.A., Sec. 1961.

g/ P.L. 95-98.

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