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124 and 133

REPORT OF THE INTERNATIONAL ATOMIC ENERGY AGENCY

THE SITUATION IN KAMPUCHEA

CRITICAL ECONOMIC SITUATION IN AFRICA

EFFECTS OF ATOMIC RADIATION

DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

PEACEFUL SETTLEMENT OF DISPUTES BETWEEN STATES

DEVELOPMENT AND STRENGTHENING OF GOOD-NEIGHBOURLINESS
BETWEEN STATES

Letter dated 22 September 1986 from the Permanent Representative
of the United Kingdom of Great Britain and Northern Ireland to
the United Nations addressed to the Secretary-General

In his speech in the general debate on 23 September 1986, Sir Geoffrey Howe, the Chairman of the United Kingdom delegation, will refer to a memorandum, which he will circulate as a companion piece to his speech on behalf of the European Community and its 12 Member States. I enclose a copy of the memorandum, and would be grateful if you would circulate it as a document of the General Assembly under agenda items 14, 25, 29, 70, 79, 124 and 133.

(Signed) J. A. THOMSON

ANNEX

Memorandum

Introduction

1. This memorandum is circulated concurrently with the speech delivered to the General Assembly on 23 September 1986 by the Rt. Hon. Sir Geoffrey Howe, QC, MP, on behalf of the European Community and its twelve member States. It forms an integral part of that speech.
2. The memorandum is intended to allow a fuller treatment of a number of issues than would be possible in the compass of one speech. The Twelve have no wish to monopolize the floor, but they do wish to do justice to certain other issues that they regard as highly important. These include one further African problem, three Asian issues, the problem of nuclear safety and a number of economic issues.

Horn of Africa

3. Over the last year the Twelve have reviewed their policy towards the Horn of Africa. Persisting tensions and related refugee problems are gravely threatening economic development and obstructing normal relations between the countries of the region. Governments in the region have made statements in favour of negotiated political settlements; we urge them to pursue this course and have therefore welcomed the start of talks between Ethiopia and Somalia.
4. We have also urged the Governments of the Horn of Africa to settle internal conflicts peacefully and to ensure respect for human rights in their countries. We remain concerned at widespread food shortages in the area and attach particular importance to measures to prevent further famine and promote food security. Food shortages in the Horn have prompted a massive response from the Community and the European public. As well as giving food and other emergency aid, the Community is helping Djibouti, Ethiopia, Somalia, the Sudan and other drought-affected countries to develop peasant farming and prevent renewed famine.
5. We are paying careful attention to the human consequences of resettlement and villagization programmes.

Sri Lanka

6. The Twelve have followed closely the unfolding of events in Sri Lanka where there have been some important and positive developments. These can only give heart to all those innocent people who have suffered from the violence there. We must all hope that the opportunity that now exists to put an end to the violence in Sri Lanka will not be allowed to slip away. We believe that negotiations offer the only sure route to a solution of the country's current problems and that only a negotiated settlement, within the framework of a united Sri Lanka, recognizing the

needs and interests of all the parties concerned, holds the prospect of a lasting peace. In June, President Jayewardene put forward terms for an end to the conflict. The Twelve have welcomed that and have acknowledged India's important role in this process.

Cambodia

7. We are much concerned by the intractable conflict in Cambodia. Vietnamese forces are still illegally occupying Cambodia in clear breach of the Charter of the United Nations, violating its territorial integrity, its culture and national identity. Apart from the suffering that Viet Nam's policies have inflicted on Cambodia itself, they have also caused countries of the Association of South East Asian Nations (ASEAN) and others serious difficulties, particularly because of refugees and the security threat. The suffering of refugees from Cambodia, Laos and from Viet Nam itself is a matter for serious concern. These refugees are a living reproach to the Vietnamese Government.

8. Viet Nam has rejected proposals to resolve Cambodia's problems. The Twelve urge the leadership in Viet Nam to reconsider. Cambodia must be free both of foreign troops and of any prospect of a return to the appalling activities of the Khmer Rouge. The Twelve will continue to advocate a solution in accordance with the resolutions adopted by the United Nations and, in this spirit, they reaffirm their support for United Nations and ASEAN efforts to end this long-running and disastrous episode in Cambodia's history.

Korea

9. We hope that a peaceful solution can be found by means of direct dialogue between South and North to the problem posed by the continuing division of the Korean peninsula. We hope also that, to this end, the contacts between the two sides broken off earlier this year can be resumed soon and that the people of Korea may shortly be represented at this forum. We wish the Republic of Korea well for the success of the 1988 Olympic Games.

Nuclear safety

10. Nuclear safety is an issue of particular topical concern to our citizens this year. The Chernobyl nuclear disaster demonstrated vividly the scope for greater East/West co-operation. This tragic accident, which spread radioactivity throughout Eastern and Western Europe, demonstrated that in such cases international public opinion, governments and the relevant experts must have all the facts, promptly and accurately.

11. We urged the Soviet Union to give the International Atomic Energy Agency and other competent international bodies all necessary information on this disaster. We welcome the successful negotiation of international conventions on early notification and mutual assistance in the event of further nuclear accidents. We look for their early entry into force.

World economic prospects

12. The international recovery is now in its fourth year. A major factor for this sustained growth has been the unremitting fight against inflation, which is now showing increasingly positive results in all major industrialized countries. As a result, interest rates are substantially lower now than four years ago, if still high in real terms by historical standards. The fall in oil prices has improved the prospects for growth for oil-importing countries, both industrialized and developing, but more remains to be done. Low commodity prices, difficulties of market access and indebtedness remain problems for many developing countries. Oil-exporting countries have been adversely affected by lower oil prices. Unemployment in developed countries remains unacceptably high. Uncertainties remain about large and unsustainable imbalances and persistent protectionist pressures.

13. As affirmed in Tokyo, we are committed to a co-operative strategy of promoting structural adjustment by eliminating rigidities, in particular in labour markets, and by continuing with low budget deficits and sound monetary policies. Policies such as these should lead to a continued lowering of inflation and interest rates, faster underlying growth rates and better employment prospects.

14. Many developing countries too have experienced considerable progress in the last four years, although we recognize that in many countries this has been achieved at the cost of painful adjustment measures. Overall output growth has recovered to over 3 per cent and should be helped further by lower energy prices and an improvement of trading opportunities.

Commodities

15. We are concerned about the position of the many developing countries whose economies are dependent on the production and sale of a few primary commodities. The narrow base of these economies is a brake on development and can be a source of economic instability, but the brake could be released and the problems overcome most effectively through growth-oriented structural adjustment, diversification and expansion of trade flows, linked with measures by these countries themselves to mobilize domestic savings and investment and to stop capital flight, coupled with adequate financial flows. The Community will work to create an economic environment in which commodity-dependent countries can both develop and tackle structural problems. In formulating our own trade and domestic policies we will take account of these export needs and, where there is a clear economic advantage for the countries concerned in so doing, we will continue to support their efforts to develop or expand processing, marketing and distribution facilities.

16. In the case of some commodities and markets, agreements and arrangements of varying types may be useful, but changes in patterns of demand, the effects of government policies, the entry of new producers to markets and improvement in production techniques are among the factors giving rise to reassessment of the value of such agreements and a review of the commodities problems in a wider context.

17. In the framework of the Lomé Convention, the Community assists commodity-dependent countries by providing financial help to compensate them for falls in export earnings. The Community will extend comparable arrangements to other least developed countries. The details and conditions under which this scheme will operate are currently being drawn up. We hope that other countries will follow this example.

Debt: structural adjustment and the Baker initiative

18. We welcome and confirm our support for the United States initiative for sustained growth announced by Treasury Secretary Baker at the International Monetary Fund (IMF) meetings at Seoul last autumn. We hope that it will be fully implemented as soon as possible. IMF, the World Bank and the regional development banks will continue to have an important role to play in tackling debt problems. Closer co-operation between them is therefore welcome. It is vital that they have adequate resources.

19. In this context, we would welcome agreement at the annual meeting of the International Bank for Reconstruction and Development (IBRD) to a substantially higher eighth replenishment of the International Development Association than the seventh, and look forward to reviewing then the need for a general capital increase for IBRD. We also hope that the commercial banks will resume lending, and will be willing to reschedule debt flexibly. However, the debtor countries themselves must take effective measures to mobilize domestic savings, to improve the environment for foreign investment and to encourage the repatriation of capital. We are also keen to seek new ways of promoting financial flows that do not add to debt. We welcome in particular progress towards the establishment of the Multilateral Investment Guarantee Agency, which will facilitate the direct investment climate. Several members countries of the Economic Community have signed the Convention.

20. Sustained economic growth can be achieved only in economies that are flexible and dynamic, that adapt to change yet remain bound together through an open, multilateral trading system. Such a performance is not easy. It requires active policies to promote the better functioning of labour markets. It requires control of budget deficits, plus improvements in the structure of taxation. It requires effective transfer of technology and a suitable environment for risk-taking.

Co-ordination of economic policy

21. Lasting improvements in the functioning of the world monetary and trading system require increased international compatibility of national policies. The Community and its 12 member States therefore subscribe to the agreement at the Tokyo Summit on close and continuous co-ordination of economic policies to promote non-inflationary economic growth; to strengthen market-oriented incentives for employment and productive investment; and to open the international trading and investment system and foster greater stability of exchange rates. This agreement will help the stability of the international monetary system in the interests of industrialized and developing countries alike.

Seventh session of the United Nations Conference
on Trade and Development

22. The seventh session of UNCTAD will take place in 1987. The European Community believes that the best way of ensuring success will be to have an agenda with a unifying theme, so that debate can focus on subjects within UNCTAD's competence. A suitable structure for the conference is equally important; without this the seventh session will not be able to work efficiently. The Community will play a full part in helping the secretariat prepare for the Conference, and looks forward to a constructive and fruitful session.

African situation

23. In the wake of the United Nations special session on Africa, the Community and its member States would like to re-emphasize their commitment to supporting and supplementing the efforts of the African States. The Community with its member States is the largest donor of development aid to sub-Saharan Africa (providing 55 per cent of official development assistance). The Community is also Africa's leading trading partner, taking half of African exports. It is thus deeply committed to the future of the continent. Through its ongoing dialogue with its African partners the Community is adapting its development instruments (such as the Lomé Convention, its food aid programme, the relief and rehabilitation programme for the most seriously affected African States and the programme of action to combat desertification in Africa) to ensure that they can respond flexibly and speedily to African development priorities.
