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SUMMARY RECORD OF THE 5th MEETING

Chairman:

Mr. BURKE

(Ireland)

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GENERAL DEBATE (continued)

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The meeting was called to order at 3.05 p.m.

GENERAL DEBATE (continued)

1. Mr. MALONE (Canada) said that much of the world, including his own country, was just beginning to recover from a period of deep and widespread recession. Canadians could confirm that the need for sometimes painful adjustment to new global economic trends was not confined to developing countries. The guiding principles for a process of sustainable development - participatory democracy, open-market economic policies, sound economic management and an orderly international trading system - applied to developed and developing countries alike. In that connection, his delegation hoped that democracy would quickly be restored in Haiti, thereby opening up the way for continued development assistance.

2. Canada's priorities at the current session related to further securing the basis for success at the United Nations Conference on Environment and Development; highlighting the role of women in promoting sustainable development; seeking a global ban on pelagic drift-net fishing; enhancing the effectiveness of operational activities for development; and seeking the desperately needed improvements to the Economic and Social Council's subsidiary machinery.

3. In the previous year's general debate, he had drawn attention to the unenviable reputation the Committee had acquired as a result of its working habits and taste for declarative diplomacy. If it continued to dissipate its energy in political sparring on economic issues that were being effectively managed elsewhere, it would have only itself to blame for the perceived irrelevancy of the United Nations across the economic spectrum. Where it had a comparative advantage, for example, on global environmental and international development issues, the Committee accomplished much excellent work. However, its achievements were overshadowed by its largely deserved reputation for overblown rhetoric and unnecessarily protracted negotiations. He hoped that the Committee would continue to improve its working patterns and thereby enhance its standing in the coming months.

4. Mr. AMAZIANE (Morocco), speaking on behalf of the States members of the Arab Maghreb Union (Algeria, the Libyan Arab Jamahiriya, Mauritania, Morocco and Tunisia), said that with the spectre of the cold war swept aside, the international community must address the task of finding the financial resources and institutional arrangements necessary to promote peace and international security in a climate of justice, to revitalize growth and development, particularly in the developing countries, to combat poverty and social scourges such as drug trafficking and crime, and to protect the environment.

(Mr. Amaziane, Morocco)

5. While that task was an enormous one, the situation was not entirely desperate. A new world was gradually emerging in which increased cooperation between East and West would contribute to world stability. Conflicts between advocates of liberalism and State intervention were yielding to a global consensus that acknowledged the supremacy of economic liberalism over the command economy, while insisting on the need to strike an optimum balance between State intervention and market forces. Popular movements in support of democratization had become irrepressible in East and South alike. It was time to acknowledge that the spreading of internal democracy depended to a large extent on the democratization of international relations, the abolition of economic injustices and the creation of an international economic environment conducive to growth and development on a global scale. It should also be noted that the debt crisis, short-term adjustment policies and the international trading, financial and monetary system had a direct bearing on the destruction of the environment, the depletion of natural resources, the worsening food security situation, the endemic extension of poverty, the proliferation of drugs, international migrations and the deterioration of human rights in the world.

6. The changes taking place in the USSR and Eastern Europe might lead to a genuine opening up of their economies and to their integration in the multilateral trading system, thereby offering developing countries' economies additional outlets. The fear that external aid to the countries of Eastern Europe might divert resources away from the developing countries had not as yet materialized, except with regard to food aid, but there had indisputably been a shift in attention, and it was not inconceivable that, in time, there would be a reorientation of official capital flows, particularly if the USSR acquired the capacity to absorb a massive transfer of resources.

7. The gradual lifting of the threat of nuclear war between the super-Powers, the official dissolution of the Warsaw Treaty Organization and the beginning of cooperation between the Soviet Union and the NATO countries in the easing of regional conflicts, hinted at the prospect of a more peaceful world order. The chances of a major reduction in military expenditure world wide were probably better now than at any time since the late 1940s. The savings realized from such a reduction could be channelled into expansion and development.

8. A genuine liberalization of trade in the framework of the Uruguay Round, resulting in a substantial reduction in protectionism, could also free resources for investment. It had been estimated that free access to the industrial countries' markets could bring the developing countries some \$55 billion in additional export revenues, the equivalent of the official development aid they were receiving.

9. Some developed countries were exerting unacceptable pressure on world savings by maintaining substantial budget deficits, restrictive monetary policies and high interest rates in order to attract foreign capital. The

(Mr. Amaziane, Morocco)

problem was not a world savings shortage, as had been claimed, but rather, the mix of budgetary and monetary policies applied in the major industrial countries. To meet investment needs, the world economy must generate the necessary savings; that implied the elimination of unproductive expenditures and the elaboration of sound macro-economic policies. The industrial countries must themselves apply the adjustment measures they demanded of the developing countries: reduced budget deficits, stable financial systems and currencies, low and stable interest rates and sustained non-inflationary growth would transform the climate of development in the rest of the world.

10. His delegation considered that the time was ripe to introduce a system of global multilateral surveillance to coordinate macroeconomic policies between the countries of the North, the East and the South with a view to inducing the industrial countries to adopt policies favourable to the growth of the world economy and compatible with concerted global objectives. The States members of the Arab Maghreb Union also firmly supported the Secretary-General's proposal to convene an international conference on development financing.

11. The 1980s had seen the inexorable marginalization of the least developed countries, while Africa had been downgraded to the status of a region scarcely deserving of charity. Urgent action by Africa and the international community was essential if the negative trends highlighted by the Ad Hoc Committee of the Whole on the Final Review and Appraisal of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 were to be halted and reversed.

12. The Arab Maghreb Union was sparing no effort to strengthen cooperation with other States and regional groupings. In that context, the first conference of Ministers for Foreign Affairs of States members of the Union and of the European Economic Community, scheduled to be held at Brussels in November 1991, would provide an ideal opportunity to strengthen cooperation between Europe and the countries of North Africa.

13. The external debt of developing countries had risen to a level that represented half their overall GNP and about twice their combined annual export revenues. In 1990 the net transfer of resources from the developing to the developed countries had been \$24 billion, and it would probably remain at that level in the years to come, in view of the prevailing high interest rates. Official development aid had slowed, and world interest rates were substantially higher than growth rates for production and exports. Under those circumstances, prospects for financing and development in the countries of the South would remain uncertain unless bold steps were taken to correct the imbalances in the world economy attributable to the industrial countries' macro-economic policies and to reverse the dwindling of private-sector loans to developing countries. The indebted countries could only regain their solvency if the debt-crisis was overcome once and for all by extending debt reduction and debt-service reduction to more countries, rescheduling the poorest countries' debt on more generous terms, reducing the debt to official

(Mr. Amaziane, Morocco)

bilateral donors and increasing participatory investments. Recent debt-reduction initiatives represented a positive development in the official international attitude to debt management; they should be applied urgently and extended to a greater number of indebted countries.

14. Unfortunately, the leaders of the seven major industrialized countries, meeting in London in July 1991, had decided that the treatment accorded to countries such as Poland was exceptional and could not be extended to other countries. The debt crisis was not a technical problem but a fundamentally political problem that could be resolved only by political will. The value of recent agreements resided in the tacit admission by creditors that more generous debt relief was necessary if the heavily indebted countries were to progress along the path of economic transformation and structural adjustment at a politically acceptable pace. The countries of the Arab Maghreb Union continued to support the idea contained in the report of the Personal Representative of the Secretary-General on Debt for the establishment of a bank for Mediterranean Africa and reiterated their willingness to study ways and means of implementing that proposal as soon as possible.

15. It was universally acknowledged that the production and consumption systems of the industrial countries lay at the root of the world's ecological problems: 90 per cent of the world's dangerous wastes originated in those countries. Yet poverty, overpopulation and the lack of technological and financial resources were also causes of environmental degradation in the developing countries. The greenhouse effect, climate change and ozone-layer depletion must be tackled urgently in order to counter global warming. Each year, millions of hectares lost their biological diversity, while deserts continued to encroach on cultivable land. At the present rate, 40 per cent of the developing countries' forests would have been lost by the year 2000. Water-supply problems were exacerbated by drought, the lowering of water tables, deforestation and contamination. Thus the success of the United Nations Conference on Environment and Development hinged on securing a consensus on two questions of major importance for developing countries, namely, sufficient new financial resources to support sustainable development, and the conditions governing the transfer of ecologically sound technologies.

16. The growing number of disasters and emergency situations in 1990 and 1991 had overstrained the capacities of aid organizations. Some now felt that the emergency humanitarian aid structure of the United Nations system must be reviewed with a view to strengthening its coordination, thereby improving its capacity to respond effectively to emergencies. His delegation considered that any such reform must be based on respect for the principle of national sovereignty, and should aim to generate the financial resources needed to set up an improved rapid intervention arrangement within the United Nations. Lastly, the reform effort must take account of the mandates of existing aid organizations, particularly the Office of the United Nations Disaster Relief Coordinator (UNDRO).

(Mr. Amaziane, Morocco)

17. At a time when the role of the United Nations in the fields of international security and development was more widely recognized than ever before, there had been no concomitant broadening of the Organization's financial basis. The size of the amounts outstanding in the regular budget indicated that the Organization's financial crisis was far from over. If the United Nations was to become a centre for consensus and decision-making and a bulwark against chaos, it must be given the resources it needed to play its role to the full.

18. Mr. LUNGU (Zambia) said that the Committee was beginning its work against a background of demonstrable willingness to move towards economic reform and renewal in many parts of the world. With the end of the cold war and democratization proceeding in many countries, the greatest challenge now facing the United Nations was the promotion of better standards of living for all. The current wave of migration from developing to developed countries was just one vital indicator of the universal yearning for economic and social progress and an indicator of the unjust distribution of economic opportunities around the world.

19. The notion of free markets, currently championed by the developed countries, would remain an empty symbol if those countries remained entrenched in protectionism. The developed countries must practice at the international level the policies they preached to developing countries. A significant opportunity to do so had been afforded by the ongoing Uruguay Round of multilateral trade negotiations. The apparent deadlock in the negotiations was a source of concern to his delegation, as it cast doubt on the genuineness of the trend towards liberal economic and political values championed by the developed countries. The failure of the Uruguay Round would usher in an era of fortified trading blocs and trade wars. It would also lead to an international environment dominated by economic competition and the struggle for supremacy that had characterized the cold war era. The Second Committee could play an important role in facilitating the emergence of a clear understanding about the state of economic liberalization at world level. However, the Committee's potential was limited by the often repeated but unacceptable view that concrete economic questions were best left to the Bretton Woods institutions, whose activities had tended to become marginalized.

20. If the promise of universal and equitable economic achievement was to be fulfilled, new life must be breathed into multilateral cooperation. The debate at the second regular session of the Economic and Social Council of 1991 on the strengthening of multilateral cooperation in international economic affairs and the discussion at the high-level segment on the recent evolution of East-West relations had produced a number of proposals which, if incorporated in the ongoing restructuring of the intergovernmental machinery of the United Nations in the economic and social fields, offered numerous possibilities for revitalizing multilateral cooperation. At some stage in that process, serious consideration should be given to the reform of the

(Mr. Lungu, Zambia)

Bretton Woods institutions, which could not be left out in the political wilderness if the international community was serious about strengthening multilateral cooperation.

21. Environmental issues had rightly gained prominence in global economic policy. In that regard, the principle of sovereignty must be preserved: no country should arrogate to itself the right to intervene in the affairs of other countries. The preparations for the United Nations Conference on Environment and Development should be characterized by a spirit of cooperation, not confrontation. The remaining preparatory meetings must consider the formulation of policies and programmes to bring about sustainable development.

22. As it carried out its work within the framework of the Declaration on International Economic Cooperation and the International Development Strategy for the Fourth United Nations Development Decade, the Committee must decide what concept of development it had in mind and whether the many conditions imposed on development thus far - e.g. structural adjustment, market reform, human rights, democracy and reduced military expenditures - merely supported outmoded and unviable models of development or defined a clearer and more credible vision, particularly in the case of Africa. The imposition of conditions must not be allowed to ruin economies or take the place of a far-reaching search for effective models of development which took the indigenous capacities and unique circumstances of each developing country into account.

23. While it was true that every nation was primarily responsible for its own development, a supportive international environment was crucial to national development, particularly in highly vulnerable countries. It was therefore necessary to alter the current international debt strategy in order to eliminate the burden of external debt which so seriously undermined the development efforts of the developing countries.

24. His delegation welcomed the resolutions adopted on South Africa at the most recent session of the Economic and Social Council, in particular, the resolution on the activities of transnational corporations in South Africa. Despite some positive developments, the system of apartheid remained intact and continued to pose a threat to peace and the stability and development of the front-line and neighbouring States. Genuine advocacy of democracy and human rights in South Africa required a sustained commitment to the total elimination of apartheid and the continued provision of assistance to the victims of that system. It was also to be hoped that peace in Angola and, ultimately, in Mozambique, would enable the countries of southern Africa to embark on sustained efforts to rebuild their economic institutions.

25. Mr. LOEIS (Indonesia) said that his delegation's views were reflected to a large degree in the statement made at the 3rd meeting by the representative of Ghana on behalf of the Group of 77. Although the high hopes that the

(Mr. Loeis, Indonesia)

imperatives of development and the advancement of peoples would assume top priority with the demise of the cold war had been dashed by the Gulf crisis and its aftermath, the recent announcement by the President of the United States of America of substantial nuclear-weapons reductions was a welcome and radical departure that provided renewed hope.

26. The economies of the developing countries remained caught in a prolonged downturn and were burdened by unacceptable imbalances and inequities. He expressed concern at the bleak prospects for 1991, when the world economy was expected to suffer virtual stagnation and a possible decline in per capita output of nearly 2 per cent. Particularly worrisome for the Asian and Pacific region was the steady decline in the growth of world trade and the continuing deterioration of commodity prices. The growth rate of his own country's non-fuel exports had declined from 35.1 per cent in 1988 to 6.7 per cent in 1990, a level which was inadequate to sustain the economic growth needed to provide the more than 2 million persons entering the labour market annually with employment.

27. While the developing countries themselves bore primary responsibility for confronting the challenges of development, the rapidly growing interdependence of nations made a positive external economic climate and the revival of multilateralism imperative. To that end, the North-South dialogue should be renewed on the basis of the concepts of genuine interdependence, mutuality of interest and mutual benefit. There was a need for a dynamic trading system in which exports from the developing countries enjoyed greater access to markets in industrialized countries.

28. Paradoxically, however, while many developing countries, including his own, were liberalizing their trading regimes, many developed countries were pursuing a policy of managed trade and increasing tariff and non-tariff barriers. The terms of trade for the exports of developing countries, particularly commodities, must be significantly improved. The failure to conclude the Uruguay Round at Brussels had been deeply disappointing, and his delegation hoped that the parties to the General Agreement on Tariffs and Trade (GATT), particularly the major trading nations, would display the courage needed to bring the negotiations to a successful and balanced conclusion by the end of the year.

29. As commodities constituted the economic lifeblood of many developing countries, it was essential to devise commodity agreements and arrangements which enhanced the stability, transparency and functioning of commodity markets and reflected long-term market trends that benefited producers and consumers alike. New mechanisms should be developed while preserving the spirit and principal objectives of the Integrated Programme for Commodities. Optimal use should be made of the Common Fund for Commodities, which should be strengthened with the help of the industrialized nations. Diversification, marketing, processing, distribution and other value-added activities should be promoted, and more active and productive participation by all parties in producer and consumer forums should be fostered.



(Mr. Loeis, Indonesia)

30. Debt-management strategies designed to help the developing countries had not succeeded in the long term. Major new policy measures were needed, while recent initiatives should be broadly and expeditiously implemented and expanded to cover all forms of debt and all categories of seriously indebted countries. Beyond that, global solutions should be sought which reflected an appropriate mix of fiscal, monetary and trade policies, free of any conditionality.

31. The virtual halt in the flow of commercial financing for development and the stagnation of official development assistance were causes for deep disappointment. It was essential to ensure that assistance to the Soviet Union and Eastern Europe was truly additional to financial flows to the developing countries. A further allocation of special drawing rights was warranted and should be linked to the development needs of the developing countries.

32. The convening of the eighth session of the United Nations Conference on Trade and Development (UNCTAD) early in 1992 would provide an opportunity for renewed international cooperation to meet the challenges of the 1990s and for the revitalization of the role and functions of UNCTAD.

33. Responsibility for dealing with environmental degradation should be proportionally and equitably shared by all countries and should not become a new source of contention between North and South. It was therefore essential to acknowledge the critical link between the protection and conservation of the environment and sustainable development. Additional resources should be made available to the developing countries to enable them to revitalize their economies, and those countries should be given unimpeded access to environmentally sound technology on a preferential and concessional basis free from conditionality in any guise.

34. Mr. TURIANSKIY (Ukraine) said that the past year had seen a qualitatively new world situation emerge, unparalleled in the history of mankind. The new world order was based on civilized relations between States, the recognition of universal human values and the primacy of international law. Despite throwbacks to the old thinking, such as the political explosion in the Persian Gulf, international relations had moved steadily away from ideological prejudice and bloc confrontation to broad cooperation and partnership among members of the world community.

35. Economic developments lagged behind political progress, however, as the findings of the World Economic Survey 1991 indicated. The problems of external debt, protectionism in trade, the net transfer of resources from the developing countries, the chronic lack of development resources and environmental deterioration continued to cause grave concern. Those problems were compounded by the hardships currently experienced by the Eastern European countries during their difficult transition to the market system.

(Mr. Turianskiy, Ukraine)

36. Grounds for optimism were nevertheless furnished by the progress achieved in developing an optimal economic model based on the harmonization of various national and regional interests, recognition of the responsibility of States for their own economic policies and the revitalization of the United Nations macroeconomic coordination machinery. The special session of the Economic and Social Council devoted to the evolution of East-West relations had contributed significantly to that process and had expressed firm support for the efforts of the countries of Central and Eastern Europe to democratize their social and economic systems, to adopt market economies and to become integrated into the world economic system. Those developments would ultimately provide a foundation for increased stability and transparency in international economic relations, but required an appropriate response from the United Nations, particularly from its social and economic sectors.

37. The current democratization process and the accompanying economic transformations in Ukraine had culminated in the country's declaration of independence in August 1991. Ukraine faced particularly severe obstacles in overcoming the economic consequences of more than 70 years of deformed development. The new economic reforms were based on the belief that property in all its forms - collective, individual and private - constituted the basis of economic life and were aimed at promoting all forms of enterprise. Equal legislative conditions would be assured for all businesses, with a corresponding market infrastructure, social security, and, where necessary, certain economic privileges. Managerial structures and institutes would have to be created, as would a new unit of currency and an efficient customs service. Ukraine would also have to develop its own finance, credit, taxation and investment policies.

38. A particular problem was posed by the need to attract foreign capital, technology and specialists to Ukraine. Recently adopted legislation guaranteed the protection of foreign capital and the right to export profits in foreign currency.

39. The creation of a new national, democratic economy, open to all countries, would depend on the political structures established in an independent Ukraine based on the rule of law. Current economic and political reforms were designed to free the economy and create a truly democratic State.

40. All those efforts would require considerable financial expenditure, in addition to the financial and material costs already incurred by the country in coping with the persisting consequences of the Chernobyl disaster. Given its nature, the Chernobyl problem necessitated a global approach, with broad cooperation from the world community. The gravity of the problem was evident from the various resolutions adopted on the subject by the General Assembly, the Economic and Social Council and other organs and agencies of the United Nations system. His country was sincerely grateful to all States, international organizations and the world community for their sympathetic response to the misfortune suffered by its people and for the material support they had rendered.

41. Mr. AL SALLAL (Kuwait) emphasized the havoc wreaked upon the infrastructure, economy and environment of his country by quoting from the report of the United Nations mission to assess the damage inflicted on Kuwait during the Iraqi occupation (S/22535). He urged Committee members to read the entire report, as it constituted an important historical document of an unprecedented crime. The mission's findings had been corroborated by documents left behind by fleeing Iraqi troops during the liberation of Kuwait which contained details of operations intended to inflict the utmost damage on the country, particularly its oil resources. The rigorous implementation of all Security Council resolutions, most notably resolution 687 (1991), would preclude a recurrence of the events witnessed in Kuwait.

42. Notwithstanding its attempts to recover from the effects of the Iraqi invasion, Kuwait continued to head the list of countries providing development assistance, and the country had not abandoned its policy of helping to alleviate the foreign debt burden of developing countries.

43. He concluded by commending the firm stand taken by the international community alongside his country during its time of difficulty.

44. Mr. RAZALI (Malaysia) said that the hostile international economic environment which had been the primary cause of the development crisis of the 1980s remained fundamentally unchanged in the 1990s. The growing interdependence of the world economy had not led to a more equitable balance between the developed and developing world, and reforms were urgently needed in the international arrangements governing the flows of trade, money, finance, science and technology. The transition from the colonial to the post-colonial world had been engineered by the developed countries in such a way as to tighten their control over the use of world resources.

45. The collapse of the concept of the new international economic order had reaffirmed the ultimate primacy of power in determining the terms of international relations, as exemplified by the Bretton Woods system and the group of seven major industrialized countries. The North had endeavoured to ensure access to, and control over, the supplies of natural resources and raw materials at prices and terms advantageous to itself, while the South had been forced to open its own markets to imports of goods, investments and services from the North. In addition, the North had adopted protectionist measures to combat rivalry among its own States.

46. The debt burden of the developing countries had continued to rise in 1990, and relief could be achieved only through growth in world trade. A freer international trading environment would help the developing countries realize their full export potential, with consequent benefit to their own economies. The adoption of appropriate macroeconomic policies and structural adjustment measures by the developed countries would lead to sustained growth marked by low inflation and stable exchange and interest rates.

(Mr. Razali, Malaysia)

47. He urged the developed countries to meet the agreed targets for official development assistance, particularly with regard to the least developed countries. The share of multilateral assistance in financial flows to developing countries should be increased, and international financial institutions should play an expanded role in the area of development financing. Concessional assistance should be doubled by 1995 and the resulting additional resources devoted to food production and other basic needs, population control, energy security and other environmentally sensitive sectors. A comprehensive regime for direct foreign investment was urgently needed, and the code of conduct on transnational corporations should be adopted without delay.

48. Efforts should be made to increase the share of imports from developing countries in the total consumption of the developed world by removing protectionist barriers and stabilizing commodity prices. The Common Fund for Commodities ought to fulfil an important function in that regard, and both of the Fund's accounts should become fully operational as soon as possible.

49. Malaysia was concerned at the overall lack of progress made in the implementation of the Vienna Programme of Action on Science and Technology for Development. The decommercialization of technology, or its transfer on concessional terms, was essential to developing countries, and Malaysia therefore endorsed the call by the Ministers for Foreign Affairs of the Group of 77 for the establishment of a United Nations financing system for science and technology, as provided for in the Vienna Programme of Action.

50. In addition, Malaysia was concerned at the lack of agreement on key environmental issues such as the provision of new financial resources and the transfer of environmentally sound technologies on a preferential and concessional basis. Firm commitments were needed from the developed countries on those issues to ensure the success of the United Nations Conference on Environment and Development and to enable the developing countries to implement the Conference's decisions.

51. Progress was also very slow in the negotiations on climate change and biological diversity. Once again, firm commitments were required from the developed countries in discharging their responsibility and providing leadership in addressing the issues of environmental degradation and climatic change. Malaysia believed that the issues of biological diversity and biotechnology were closely related and should be addressed jointly in the Convention on biological diversity.

52. In conclusion, his delegation called for the full implementation of all resolutions adopted by the Committee and, in particular, the Declaration on International Economic Cooperation and the International Development Strategy for the Fourth United Nations Development Decade.

53. Mr. AGUILAR-HECHT (Guatemala) said that the political and economic developments in certain regions of the world were very encouraging although the possibility of severe setbacks still remained, as exemplified by the recent coup in Haiti. Central American politics were dominated by economic issues, and new economic blocs were being formed in order to stimulate more imaginative and competitive practices. The Central American Common Market was growing stronger and would soon count Belize and Panama as members. Numerous bilateral agreements had been reached between States in the subregion and other Latin American States, and the possibility of a reciprocal market between the Caribbean and Central America was being explored.

54. With regard to economic relations with Europe, at the recent San José VII Conference at Managua, a tariff arrangement similar to the one in force in the Andean Pact countries had been requested. Unfortunately the request had not been accepted, and his delegation believed that the proposed alternative tariff arrangements were insufficient to render Central American products competitive on European markets. The arrangement which the Central American countries favoured would advance the cause of peace, democracy, development and respect for human rights.

55. Guatemala welcomed the positive developments in Eastern Europe and the end of the cold war and looked forward to extended, mutually beneficial economic and social cooperation with that group of countries. The new world political climate called for a new definition of the concept of international security in which greater weight was attached to the relationship between disarmament and development. Now was the time to create political, economic and social conditions that would reduce the risk of confrontation and guarantee peace and economic stability in all countries.

56. The poverty which continued to afflict much of the world rendered more urgent than ever the revitalization of the North-South dialogue. It was untenable that certain countries should prosper while in others the standard of living continued to decline, creating new threats to international peace and security.

57. While all countries must share responsibility for protecting the environment, the fact remained that one third of the world's nations enjoyed a high level of technological and scientific development and considerable wealth while the remaining two thirds endured crushing poverty and many other problems which sorely tested their capacity to improve their situation. Clearly the developing countries bore the greater burden. With their economies undermined by heavy external debt and the prices of their non-oil-based commodities constantly declining, they were compelled to adopt diversification programmes similar to those adopted by many other developing countries, resulting in the overproduction of identical products. Prices then fell further, thus exacerbating their problems. That situation could hardly be said to illustrate the operation of the market forces of supply and demand.

(Mr. Aguilar-Hecht, Guatemala)

58. In crafting a new international order, it was not enough to replace political alliances with new economic blocs or to develop democratic institutions and economic policies. He agreed with the Under-Secretary-General for International Economic and Social Affairs that the energy unleashed by peoples striving for freedom must be channelled to serve the causes of economic well-being, social development, nation-building and social justice. The international community must redouble its efforts to strengthen development cooperation programmes and foster ecologically sound technology transfers on favourable terms. The developing countries should enable women to assume a meaningful role in development and should focus on human resources training and on enhancing the quality of life of their populations.

59. The new international order also required genuinely free trade without protectionism. It was to be hoped that the Uruguay Round of negotiations would prove successful in eliminating such barriers. The eighth session of UNCTAD should define the policies to be followed in the future, bearing in mind the expectations of the developing countries. It was also important to increase flows of foreign investment and to augment the financial resources of the International Monetary Fund, the World Bank and the regional development banks, enabling them to support structural adjustments on concessionary terms. New conditions, including those of a political nature, should not be imposed.

60. Issues such as disarmament, the environment, human rights and even drug trafficking must all be approached from the perspective of the developing countries. Mutual respect for the sovereignty, independence and territorial integrity of States was of critical importance. The United Nations and the international community as a whole must continue to strive to halt the arms race and the resources thus freed should be devoted to economic and social development and environmental protection.

61. The new international agenda must also focus on ways to promote social development, which was a prerequisite for peace. His country therefore welcomed the convening of a world summit for social development and viewed the involvement of women, the elderly, the disabled and young people in development as essential. Attention should also be focused on education and the promotion of respect for the human rights and fundamental freedoms of all citizens, particularly minorities, with special treatment given to indigenous peoples, refugees, returnees and displaced persons.

62. In conclusion, his delegation supported the proposal by the Secretary-General to give consideration to the convening of an international conference on development financing. Such a conference would benefit from the work done at the eighth session of UNCTAD and the United Nations Conference on Environment and Development.

63. Mr. AVRAMOV (Bulgaria) said that the ending of cold-war tensions in the political, economic and military spheres had resulted in completely new circumstances that required new approaches to international cooperation. The process for finding new ways to achieve sustainable and growth-oriented economic development based on broad dialogue had been confirmed in the Declaration on International Economic Cooperation, adopted by the General Assembly at its eighteenth special session, and the International Development Strategy for the Fourth United Nations Development Decade. Those documents could provide a sound basis for international economic cooperation in the 1990s.

64. One of the first requirements for the steady and reliable functioning of the world economy was the full participation of all countries in international trade. The achievement of sustainable development required a favourable international economic climate, and there was an urgent need for adequate solutions to such major problems as foreign debt, increasing poverty, overpopulation and environmental degradation, which destabilized the world economy.

65. The human dimension of development was also becoming a matter of primary concern for the international community inasmuch as the ultimate goal of all countries' economic development was the improvement of living standards. The effective use of human resources, with due respect and sound guarantees for human rights and fundamental freedoms, stimulated creativity, innovation and initiative, a consideration that should be borne in mind in the elaboration of social development prospects within the overall framework of world economic development. It was from that perspective that Bulgaria viewed the new role of the United Nations in the economic and social field.

66. The United Nations Conference on Environment and Development should outline an ecological policy and adopt specific documents, such as conventions on climate change and biological diversity. An effective mechanism would have to be developed for the implementation of such conventions and the provision of assistance to countries requiring help in complying with those instruments. Due attention should be given to the tragic state of the environment in Eastern Europe. Bulgaria was prepared to cooperate in mitigating the emergency situation in that region and in the Balkans through the implementation of regional projects and programmes.

67. His delegation fully supported the proposals made by the Netherlands regarding the need to strengthen United Nations activities in the field of humanitarian emergency assistance. Those activities could be made more effective by improving coordination and intensifying cooperation between the United Nations, the specialized agencies, non-governmental organizations and donor and recipient countries.

68. Bulgaria was currently undergoing a process of profound democratization and transition to a free-market economy. A new, modern, democratic Constitution had been adopted and an economic stabilization programme,

(Mr. Avramov, Bulgaria)

developed with the assistance of the International Monetary Fund and the World Bank, was in effect. Interest rates and prices had been liberalized, and the Government was undertaking strong anti-inflationary measures. The success of domestic reform and the provision of conditions for stable growth were largely dependent on timely and adequate external financing, and the Bulgarian Government attached particular importance to the political, economic and financial support of the international community.

69. The pace of reform in Bulgaria demonstrated that transition to a market economy was accompanied by tremendous difficulties. Bulgaria's problems were further aggravated by an adverse external economic environment. The rapid disruption of former economic ties and the negative economic consequences of the Gulf crisis had further strained the Bulgarian economy, already weakened by the burden of radical reforms.

70. Bulgaria fully supported the enhancement of the role of the United Nations as a focal point for the international community's efforts to solve global problems of development and as an agent for enhanced international cooperation in the social and economic fields. In that connection, his delegation attached particular importance to the ongoing restructuring of the Organization's social and economic sectors.

71. Mr. KONAN (Côte d'Ivoire) said that the world economy remained in a critical situation that had been further complicated by the collapse of the countries of the Eastern European bloc. The resources needed to rehabilitate the economies of those countries placed a great strain on world savings, which were already very much in demand. While the integration of Eastern Europe into the world economy gave rise to the hope of a general economic upsurge, it was also a real source of apprehension for other developing countries, especially in Africa.

72. For almost two decades, the economies of African countries had continually deteriorated without benefiting from any decisive action such as was currently being taken to assist Eastern Europe. Even the United Nations Programme of Action for African Economic Recovery and Development, which had been adopted by consensus, had not received the expected attention or support owing to an absence of political will. The Secretary-General's report on the critical economic situation in Africa (A/46/324 and Add.1) was very explicit in that regard. The new follow-up agreement to the Plan of Action, which had been concluded by Africa and its developed partners, opened "windows of hope" and opportunities for action that must be taken if Africa was to be integrated into the world economy.

73. The developing countries continued to face a serious economic crisis that further widened the gap between rich and poor countries. While it was true that some developing countries, particularly those in South-East Asia, had registered very high growth rates, the overall collapse of the developing countries' economies could not be denied.



(Mr. Konan, Côte d'Ivoire)

74. Many developing countries continued to derive most of their income from commodities. Despite a reduction in developing countries' commodity exports, commodities other than fuels continued to account for an average of 40 per cent - and, in certain countries, between 60 and 80 per cent - of such exports. The volume of commodity exports had increased substantially during the second half of the 1980s. In the African countries in particular, the quantitative increase of 4 per cent was proof of those countries' efforts. Unfortunately, because of the continuing fall of exchange rates, the export incomes of the African countries had been very low and were incommensurate with their efforts. Whatever arguments could be adduced to defend the free play of market forces, it could not be denied that commodity trading involved more than just the law of supply and demand and penalized developing countries that produced raw materials.

75. Mutually acceptable solutions must be found through concerted political efforts. The developed countries must provide concrete support for the developing countries' efforts to diversify their economies. By processing a significant percentage of their products, the developing countries, and particularly those in Africa, could become more fully integrated in the world economy and could stimulate growth.

76. The debt crisis would continue to place a heavy burden on the developing countries for decades to come and would inevitably jeopardize the stability of the heavily indebted countries, particularly in Africa, that lacked the resources to meet their obligations. Debtor countries were faced with the prospect of low export incomes, underdeveloped industries, unemployment and low standards of living. Debt servicing alone consumed the bulk of their meagre incomes. Côte d'Ivoire therefore welcomed the current initiatives to reduce debt. In particular, it commended the terms accorded to Trinidad and Tobago, which would allow that country to reduce its official debt by 50 per cent and, for the first time, provided for similar reductions in external commercial debt.

77. At their recent meeting in London, the Group of Seven had acknowledged the need to adopt additional debt-relief measures that went far beyond the Toronto initiative for dealing with the debt problem. His delegation hoped that the new initiatives would be implemented as soon as possible. It was regrettable that most of the debt-relief measures taken thus far had ignored the critical situation of medium-income countries such as Côte d'Ivoire. His delegation hoped that the recommendations of the Personal Representative of the Secretary-General on Debt that the debt of medium-income African countries should be relieved under terms similar to those of the Toronto initiative and that they should be granted resources for development on more favourable terms would be taken into account in efforts to find a lasting solution to the debt problem.

(Mr. Konan, Côte d'Ivoire)

78. There was an urgent need to accelerate industrialization in the developing countries. It was paradoxical that the countries that provided the substratum of the industrial world could not participate in the processing of and trade in manufactured goods. In that regard, General Assembly resolutions 44/237 on the Second Industrial Development Decade for Africa, 45/196, on industrial development cooperation and the diversification and modernization of productive activities in developing countries, and 45/188, on entrepreneurship, should be given due attention so that the majority of the developing countries could become active competitors in the world economy.

79. The human factor was a key parameter of development, and the material, intellectual and spiritual well-being of Ivorians had always been the focal point of Côte d'Ivoire's development policies.

80. Mr. OLISEMEKA (Nigeria) said that his country fully supported the views expressed at the 3rd meeting by the representative of Ghana on behalf of the Group of 77. As noted in that statement, the recent momentous developments in the world had vastly improved prospects for universal well-being and peace. Euphoria over those developments should not, however, be permitted to obscure awareness of the huge disparities that had grown and continued to grow within and between countries, between the North and the South, and, significantly, among the countries that constituted the South. The number of the world's poor currently stood at about 1 billion, and the risk of marginalization had grown significantly for many poorer countries. Those sad developments were an outrage to morality and a direct threat to world security.

81. The economic environment had grown worse for the developing countries as a result of factors beyond their control, such as increasing protectionism, falling commodity prices and rising interest rates. That state of affairs had helped precipitate the debt crisis and the severe reduction in net capital flows experienced by the developing world, further compounded by stagnating aid levels. Action was needed on many fronts, particularly in the areas of trade, financial flows, debt reduction and development cooperation, in order to create a more favourable economic environment for those countries.

82. Nigeria wished to see a strengthening of the multilateral framework of trade-related agreements, which would reduce protectionism and expand opportunities for developing countries to participate in world trade. It was essential to halt the massive net outflow of debt-related resources from the developing world, which could only be achieved through appropriate economic policies to increase savings and encourage investments in the South.

83. Many debt-distressed countries were implementing stronger economic recovery programmes and those efforts called for an appropriate strengthening of the debt strategy, with a view to reducing the debt overhang radically. It was only through such a strategy that the debilitating and demoralizing debt crisis suffered by debtor countries could be attacked and the way paved for a resumption of sustained economic growth.

(Mr. Olisemeka, Nigeria)

84. The recent final review of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (UNPAAERD) had been marked by a spirit of unity and cooperation on the part of all parties. Nigeria believed that that spirit would be the key to the success of the agenda for the 1990s, and hoped it would prevail when UNPAAERD came before the General Assembly for consideration at the current session.

85. Mr. SHAKIR (Iraq), speaking in exercise of the right of reply, said that the events that had taken place after 2 August 1990 - the so-called "Gulf crisis" - had been the consequence of a premeditated economic plot against Iraq in which the Kuwaiti regime had participated. The plot had involved the diversion of funds and goods inside Iraq: goods had been sold at exorbitant prices, and the plotters had exploited the shortage of goods and currency in the country. That had led to a very dangerous inflationary situation. Moreover, the Kuwaiti regime had not respected resolutions of the Organization of Petroleum Exporting Countries (OPEC) dealing with production quotas. In fact, Kuwait had openly declared that it would not abide by those resolutions.

86. Brotherly States had made well-intentioned efforts to resolve the situation and Iraq had been asked to take action because it needed resources and liquid cash to rebuild the country after the declaration of the cease-fire with Iran.

87. With regard to the destruction of the environment, everyone knew that the region had been bombed from the ground and the air by the coalition forces arrayed against Iraq. He did not understand how the representative of Kuwait had concluded that Iraq had been responsible for the environmental disaster in the region; perhaps he was simply repeating what his masters told him. In fact, the representative of Kuwait could not fully understand what had happened because Kuwait had simply been a tool in the hands of those who were plotting against Iraq. His delegation was prepared to provide the Committee with files containing information about the economic plot against Iraq so that everyone could know what had really taken place.

88. Mr. AL SALLAL (Kuwait), speaking in exercise of the right of reply, said that the issues in question had been clarified in numerous Security Council resolutions on the subject. If Iraq had been experiencing economic problems, they had been self-inflicted; Kuwait had offered it \$US 15 billion before the invasion. When Iraq had invaded Iran in 1981, it had been suffering no economic crisis and had even had a production surplus. He wondered, therefore, whether Iraq believed it had countered an Iranian plot as well.

89. As for OPEC quotas, Iraq had ignored them during the Iran-Iraq war and had even called for quotas in excess of its production capacities.

90. The establishment of Iraq's military machine and its arsenals of chemical, biological and nuclear weapons could hardly be attributed to an economic policy directed by Kuwait against Iraq, but were rather evidence of

(Mr. Al Sallal, Kuwait)

Iraq's determination to dominate. Incontrovertible evidence of that ambition was provided in Security Council resolution 707 (1991) and in the report on the findings of the Special Commission, which attested to the volume of Iraq's nuclear capacities, some 10 times greater than its defence needs.

91. Kuwait had submitted documents to the Secretary-General, signed by Iraqi military officials in Kuwait, detailing the manner in which oil wells in that country had been deliberately and simultaneously blown up, with great attendant risks. Their destruction was patently not due to bombing by the coalition forces.

92. Mr. SHAKIR (Iraq) said that civilized people did not jump to conclusions, and he rejected the claim made by the representative of Kuwait that Iraq had invaded Iran.

The meeting rose at 6.15 p.m.